munerative prices, because orders could not be duplicated for desirable lines until after 1st November, far too late for the season's trade.

The principal reason for the present drop in the price of wool is that the manufacturers already hold all the wool that they are likely to require to complete their contracts, and therefore do not need to purchase more. Besides, only a very small portion of the grades of wool that are offering can be used in the manufacture of the class of goods in demand in our market, hence the reason of the present low prices. The price of foreign wool, such as is used here, still holds firm in England and likely to continue so for some time, such is the opinion of those largely engaged in the wool trade both here and in Britain. From the foregoing statements you can see the folly of merchants selling their goods without a profit; for there will be an active demand when the proper time arrives, for every yard and every dozen of goods that can come into the market this year.

SUBSCRIBER.

OIL MATTERS IN PETROLIA.

PETROLIA, 17TH June, 1880.

Crude.—Very firm—price has advanced fully ten cents. $1.40 in tank has been offered freely and business has been done at $1.45.

Refined.—Nominally the same, but refiners will not sell much. More has been paid than the nominal quotation. The market will be advanced all round ere long.

FIRE RECORD.

ONTARIO.—Parkhill, May 23rd.—J. McInnes' flouring mill, which cost $20,000 in 1876 took fire from a drying kiln and was consumed. Insured for $11,000.——Mildmay, 26th.—Wm. Lehman's carpenter shop burned; loss $400, no insurance.——Parkdale 27th.—Moore's hotel took fire at noon, and was destroyed with Union Hall and Booth's store adjoining. Moore's building and stock insured $1300 in Dominion, $1200 each in Royal and Sovereign, $1300 in British America; $800 in Northern; no insurance on furniture of Mr. Booth.——Belleville, 28th.—B. Danford's dwelling destroyed; loss, $800, insured in Northern $200.——Niagara, 29th.—Jno. Hall's barn burned; cause, children playing with matches.——London, 29th.—H. Deproe's vacant cottage burned, incendiaries suspected. ——Aurora, 31st.—Davis & Brodie's sawmill and shingle factory and a pile of lumber and shingles burned. Loss $1,800; insured in Phœnix Mutual $800.——Toronto, 28th.—The Silk Company's premises on Adelaide St. took fire and were flooded with water: loss not heavy, insurance $8000.——Port Elgin, 27th.—Alex. Cameron's barn, shed and contents burned, loss about $1800, insurance $600 in Waterloo.——Toronto, 29th.—Building No. 88 King Street, recently a flouring mill of Baillie & Downey, but now vacant, was gutted, supposed incendiary, loss $2000.——Walkerton, 24th.—Henry Yost's hatters shop, and John Naner's hotel burned; Yost loses $1200, insurance $1000; Naner $3000, insurance $1250, spontaneous combustion from rags in Yost's shop suspected.——Freelton, 28th.—Jno. Hallway's house near here destroyed, insured for $150.——Ayton, 27th.—House owned by Dr. Pinkerton destroyed with contents; loss $600, insurance $300.—— Jarvis, June 12—C. W. Nash's house struck by lightning. Thos. Carwin's house was also slightly damaged.——Barrie, June 3.—Geo. Ball's planing mill burned, insured in Gore and Phœnix Mutual $2,000 each. Moore House also burned, not insured. ——Clinton, June 10.—The carriage factory of of Cantlon Bros., was burned, loss on buildings, $2,500; insured for $1,000 in the Phœnix Mutual; stock and tools, $2,500; insured in the Waterloo Mutual for $1,000.——St. Thomas, June 13.—The Penwarden stables and nine horses burned with a small cottage, loss on stables $2,500; horses $5,000 to $7,000; insurance $300.

OTHER PROVINCES.—New Glasgow, 27th.—Matheson's Acadia foundry shops burned; loss $2,500, no insurance.——Drummondville, Que. 27th.—Barry's sawmill at West Wickham burned; loss $5,000, no insurance.——Ascot Corner, Que. 28.—Alex Bell's dwelling and barns destroyed. Insured in Sherbrooke and Stanstead Mutual for $600 on buildings and $200 on contents.——Beebe Plain, Que. 27th.—J. Frigeau's steam mill destroyed, with machinery; insured in Eastern Township Mutual for $200. Truro, 28th.—R. Christie's steam saw mill near here burned, with $1000 worth of lumber. Loss $8000,——St. Johns, N. B., 29th.—The Drury's houses, the scene of so terrible a suicide and murder, were valued at $10,000, insured in the N. B. & M. Co., for $1,600, and the furniture for $1,000. The coach-house and stables were insured with the same Company for $400. They also had a risk of $500 on a large double barn, and $500 on the hay press. ——Berwick, N. S., 30th.—Leander Chute's house, shop, and barn, Halliday's house and barn, S. J. Nicholl's vacant store and barn, Bent's hotel, and J. Shaw's dwelling burned. Loss $7000, insurance about $2,200.——Chatham, N.B., June 4.—Senator Muirhead's saw mill burned, loss $30,000, insured in Queen $5,000; Liverpool, London & Globe $3,000; Lancashire $2,000; Western $2,000 and Com. Union $2,000.——Cape Negro, N.S., – C. H. Clements' lobster factory burned, loss about $8,000.——Liverpool, June 10.—Messrs. Jeffrey Thompson, C.E.D. Snow, S. S. Murray, and J. B. Middlemas' houses and barns burned, furniture partially saved. The loss is estimated at $6,000; insurance, $1,200.——St. John, N. B., 10 June.—The Victoria House damaged by fire, insured in Scottish Com. & Lancashire for $4,000.——Garthby, Que., Hudon & Orsali's house and barn burned, insured in Royal $500.

A BANKING RETROSPECT.

At the meeting of the Merchants Bank in Montreal on Wednesday, the General Manager, Mr. G. Hague, in the course of his remarks took a retrospective view of Canadian business. We append portions of the address:

I will begin my remarks by asking your attention to the condition of banks in general, and this Bank in particular, in the year 1874. that year was the culminating point of many previous years of apparent prosperity and of real expansion in business. The trade of Canada had been constantly growing, and the business of the banks steadily increasing. The discounts, which should under ordinary circumstances be a fair index to the trading operations of the country, had increased from 86 millions in 1871, until they reached 130 millions in 1874. The capital of the banks during the same period had been increased from thirty-eight millions to sixty-one millions. The bank circulation was $30,000,000; it is now only $17,500,000. The deposits were $75,000,000.

These years of expansion in banking operation were years of great apparent profits. Not only were the discounts exceptionally high and transactions very large, but the rate for money (and it was paid cheerfully) was fully one fourth more than it is now. Consequently banking profits were large, that is supposing transactions to be good in themselves, and that the interest accruing on discounts was not only earned but paid. And at that time there seemed no reason why it should not be.

During these years, there were, of course, a certain number of mercantile failures, but both in number and amount they were comparatively trifling. The total amount then ranged from five to seven millions annually, while the total discounts of the banks ranged from 100 to 130 millions. Towards the end of 1874, however, the signs of a coming change were perceptible in an excessive tightness of money, great difficulty in making payments and constant applications for renewal of paper. These symptoms were the prelude to a series of years of continuous depression which was shown in a steady reduction in the volume of bank discounts, (they are now only about $95,000,000) in a steady falling off of profits, and in a sudden and unprecedented number of failures.

Whereas in the years previous to 1875, the total amount of failures was between five and seven millions, in 1875 the total rose to twenty-one millions. Thus, while the discounts of the banks and their profits were being reduced, failures were multiplied fourfold. And the ratio, instead of being seven millions of failures to 130 millions of discounts, was now twenty-nine millions of failures to 120 millions of discounts.

You may ask, What is the relation between these things? Why do I compare the two? The answer is that in a majority of instances the liabilities of insolvents are included within the circle of bank loans or discounts. A large number of those who fail are directly indebted to the banks, and a majority of the rest, if they do not deal directly with banks, give promissory notes or acceptances to men who do When, therefore, bankers find that in the community to whom they lend money there is an increase of failures to a fourfold extent, it is a matter of absolute certainty that their losses must show considerable increase.

But the year 1875 was not alone in its excessive volume of insolvency and disaster. This state of things continued year after year, and has continued nearly down to the present. The failures of 1876 amounted to $25,000,000, of 1877 to $25,500,000, and of 1878 to $24,000,000. But the insolvencies of 1879 reached the enormous sum of $29,350,000.

Now I must ask your attention again to the ratio between the failures and the total of bank discounts. You will appreciate the difference between the position five years ago, and that presented to the close of 1879, by remembering that the failures in 1874 were to the discounts as 7,000,000 to 130,000,000, or about 1 in 18, while last year they were as 29,000,000 to 100,000,000, or nearly 1 in 3.

Now gentlemen, this is the condition of things in which all the banks in Canada have had to conduct their business during the last five years, with failures four-fold more than any that had occurred previously, with a constantly diminishing volume of sound and legitimate business, and yet with a necessity of paying dividends upon a capital which had in times of previous inflation been increased out of all proportion to the requirements of legitimate business.

Looking back a few years previously to 1875 we find the capital of the banks to have been only 37½ millions. During the next four years, stimulated by the large profits that were apparently being realized, the capital of the banks had been constantly increased until it touched 62 millions. This capital was based upon the highest point of inflation reached by the country and the banks, and there was a constant necessity of earning dividends upon it during years of steadily decreasing business.

I ask you, in view of all that has been stated whether it is a matter of surprise that the last four years has been a period of exceptionally heavy losses. It could not indeed have been otherwise unless banks had withdrawn almost entirely from the circle of business operations.

It is a matter of common notoriety that commercial disasters have fallen more heavily upon