

An unusually dry summer, commercial reaction, low rates, reckless underwriting—these are the causes that deplete the funds of all and menace the fate of a few. The condition of the time has strengthened the roots of these misfortunes until they have grown to be truly formidable. Everywhere the long and intense heat rendered property highly inflammable. A fire once kindled was not easily subdued. But the heat of the past three months, though unfavourable to the companies in no ordinary degree, happened in the nature of things, and was as much beyond human power to avert as earthquakes or storms at sea. So is the continued reaction in trade. But difficulties in business which are to some extent beyond control are a fruitful source of incendiarism. We are certain the inducement to burn property of late must have rather increased than abated. In the best of times fully fifty per cent. of all our fires arise from incendiaries. Such a course of action is sometimes thought the shortest way of escape from embarrassments. Under the spur of competition too, and with a reduced demand for insurance, the companies have been more active to secure business, and have accepted risks which in better times would be promptly rejected. Agents have been as active in seeking risks as owners have been negligent to insure. Hence recklessness in the selection. And none will deny the ruinously low rates now current. All these things produce results which are subject to certain calculation. Losses in many cases will be met slowly, dividends will be reduced, the value of stocks will undoubtedly be lower.

The more aggravated the situation becomes, the more urgent is the necessity for prudent action. Managers, secretaries, and agents have followed a policy favourable to the assured but precarious to themselves. This usually happens after a period of material prosperity. But let them profit by the teaching of facts. They are passing over an enchanted ground where pitfalls and quagmires beset the unwary traveller. What use is all their labor if there is no recompense, their low rates on a business far and wide when risks increase without the gains, their reckless underwriting when it leads to certain loss? But experience is a tree of slow growth, and with many companies the fruit does not yet seem to be ripe. Losses are being incurred from which the younger companies will not recover for years. Notes are taken for premiums and given for losses even in a cash business. Assessments increasingly heavy are laid on premium notes among the mutuals. And

several stock companies begin to stagger under their burdens.

The burning of St. Hyacinthe repeats the old story of wooden buildings and insufficient protection. But little precaution was taken against fire, and when once it began, the citizens could not stay its progress. Their carelessness rendered them merely spectators of a scene which their foresight might have prevented. Will other towns learn a lesson by their loss? And will the bitterness of recent experiences make the companies pause and consider before foreign managers withdraw their Canadian agencies in dismay, and some of our new companies find their business shipwrecked?

THE HARVEST.

The last report on the state of the harvest is now in. The information offers a very striking contrast to last year. After such prosperity as agriculture has experienced for several years it is in the nature of things there should be a reverse. But the year must be bad indeed when the farmer has not a fair margin of profit on his labour. Poor harvests may occur every few years, but the stagnation arising from one of them is not very trying to a farmer's patience. He is not affected by them like men in business. In this country where mixed farming is so extensively carried on his circumstances generally enable him to turn to considerable account even a serious reduction in his crop of grain. Should one thing fail he has other means to fall back upon. And often that on which he bestowed least care yields him the largest profit at the year's end. With ample resources at their command, and a ready market for all they can raise, many farmers feel little of the anxiety of the business world. Merchants, manufacturers, mechanics, etc., are the persons who suffer most seriously from the effects of a short harvest. And the partial failure of the one just gathered in will prolong the misfortunes they have already endured.

Westward from this city lies the most important grain producing part of Canada. Yet in it winter wheat scarcely amounts to a quarter of a crop. We have heard of it being cut in many places and piled up for manure. In some places where it was hardly thought fit for such a purpose whole fields were burned. There is an average of less than five bushels to the acre. Spring wheat is about half the ordinary yield, and the average is not more than ten bushels. The sample in both kinds has a rather poor appearance and lacks the customary bright colour. Barley is a light crop with a thin grain. All the coarse grains appear to be

abundant in yield and of standard weight. To the north, and eastward as far as Montreal, fall wheat returned no more satisfactory results than in the west. Reports speak of it as a failure in many places, almost a failure in all. The condition of spring was rather better, ranging from one-half to a two-thirds average. Barley is bright in sample, of fair weight, but under the general quantity. Other grains have done well. Between Montreal and the Atlantic Provinces the average of winter wheat was very small. The little that was grown was fair in quantity and good in weight and appearance. What spring wheat was grown left little room for complaint. In other kinds of grain the production showed some diminution, but almost equalled the prosperous yield which was common to the whole of this Province.

In such a condition of things as this it certainly would be unwise to expand or speculate, or order large stocks. At the same time a man of business will not be carried away by a feeling of hopelessness. The country has had a succession of very good harvests, and one bad one cannot do more than give a temporary check. Caution and watchfulness, not despondency, are the true qualities for the times. A certain amount of business must be done and will be done, under all circumstances; and let it never be forgotten that a smaller business well done may yield a larger net profit than a much heavier amount of transactions done in a hurried slipshod fashion. Sell to good men, take means to reach them, offer them inducements to short credit, collect closely, and buy well—these measures with wise economy well carried out, will bring a merchant through a time of depression much worse than we have at present.

THE COLLAPSE OF THE UNITED STATES COAL MONOPOLY.

Amongst the most singular features of trade in these times is the habit which the American people have of organizing monopolies in staple articles of production or manufacture. The freest people in the world in political and social life, (in theory at least), they have a singular aversion to let trade and commerce find its natural channels, and take the profits which reasonably belong to it. They exercise their naturally sharp faculties in inventing restrictions and creating monopolies, and seem to have no faith in business yielding a profit unless prices are artificially kept up. Contrary as this is to right notions of trade, and lamentable as have been the break-downs which it has ultimately caused, the policy has been persevered in