

premium reserve. If that reserve is safely invested, then the solvency is beyond question.

It will be readily seen from the above, that Life Companies, above all others, should give publicity to their affairs, and that the public should, in all cases, demand it. Any company that neglects to supply all requisite information, ought to be regarded with caution; and those who refuse it are just objects of suspicion.

MUSKOKA RAILWAY.

The directors of this Company are pushing forward the project with considerable energy, the President especially devoting a great deal of time, and using the full weight of his influence, to advance its interests. Meantime the municipalities seem alive to their duties in the premises. The Town Council of Barrie has submitted a by-law, which has passed through two readings, granting a bonus of \$30,000; Orillia is also, we believe, coming forward with a bonus of \$15,000.

TRADE REVIEW.

The retail trade of this city has been dull—very dull—for a fortnight back, a state of things not unusual at this season of the year, but at present aggravated, doubtless, by the unwillingness of country customers to buy. The farmers are well enough off in reality, but they *feel* somewhat poor at finding their wheat worth so little as 75 cents per bushel, with very little prospect of its being worth more. We know how much a man's spirits have to do with his readiness to buy; nothing puts so effectual a stop to extra expenditure as a despondent state of mind, and on the other hand, nothing makes a man more ready than buoyancy of spirit. The farmers, we fancy, are generally inclined to be low spirited at present; not that there is any particular reason for it, except the low quotation just noticed, and hence we expect, after a little while, they will find there is no real foundation for depression, and go on buying as in former years. In the grain trade there are decided manifestations of a speculative tendency. The price is so low that many have come to the conclusion that chances must be in favor of the holder, and orders to buy are being given out with comparative freedom, at certain limits. It is well known that large quantities of wheat are held in Chicago and Milwaukee on Canadian account, waiting the turn of events; and preparations are being made, we believe, for considerable shipments of grain to Europe during the winter via Grand Trunk and Portland. We hope, for the sake of our merchants, that all this may end well, though we do not regard it as legitimate trading; at any rate, a good deal of it is not. Of course, if parties communicate with England by cable, and buy here to fill orders from thence, or having bought here at current prices, seek to finish the transaction by selling to arrive,

there can be no exception taken, by even the severest critic. But the passion of the grain gambler will not be satisfied with that mode of doing business. It is not the certainty of closing a transaction at a moderate profit that pleases him, but the uncertainty within which a thousand chances of weather, politics, and what-not may intervene, all of which he hopes may operate in his favor, and send the article up to a price at which he can sell and realize a large profit. The difference, indeed, between the legitimate trader and the speculator is just this: the one buys to satisfy a known demand, and in selecting his article, he has in view the wants of certain persons or districts;—the other buys what he has no definite outlet for; no person that he knows of wants that article in particular; and he is content to wait upon the chapter of accidents and the chances of something turning up, that he may realize and see the end of his operation. It is to be regretted that the legitimate operations of persons in the grain trade everywhere are interfered with by speculators of the kind described, the magnitude of whose operations in some seasons far transcends all the *bona fide* purchases made. We are not aware if any statistics have ever been published on this continent, but a return was once published respecting the grain trade of Berlin, from which it appeared that the proportion of genuine operations during a certain season was only about one-sixth of the whole. We have probably never been as bad at any time as that, and certainly, at present, our proportion would be far different; but the thing, in any degree, is an evil to be deprecated and discouraged as much as possible. Both the transactions and the risks are great enough in the course of legitimate trading, and there is no need to superadd speculation and gambling to make the matter worse.

Our farmers now are bringing out the grain. Millers are stocking up; an operation by which they have lost money a hundred times, but which they repeat every year to a certain extent, hoping that the present may give them better luck. The necessity of stocking, however, is becoming less and less every year; and with increased railway facilities, may be avoided altogether in course of time. The winter's business is always the most dangerous for a miller; and we believe it is a fact, that if all the mills in Canada had made a practice of closing during the winter months, and letting the grain be exported as grain, the millers, as a class, would have been better off. To make money in the fall and lose it in the winter, sometimes twice over, has been the average experience for very many years back. It is a poor confession, but only too true, and the reason for it, we firmly believe, to have been the practice of buying a mill-full of wheat during early winter, and taking all the chances of changable markets during the lapse of several months, while it is being manufactured. Milling will never be a safe steady business until every element of speculation is weeded out of it; and what is bought one week is sold the next, or at once.

Pork is active. The quality of the dressed hogs

coming in is very fine, and the price such as to leave a handsome profit to the farmer. A good fat pig can be sold for as much as a cow was worth a few years ago; and if a farmer is only fortunate enough to have plenty, it will help to make up for deficiency in other products of the land. Dressed hogs are about \$8.50, and the trade at that price is fairly profitable, according to the price of pork and cured meats.

There is likely to be a much smaller production of lumber this season than was at one time supposed. The snow is excessively deep in the woods, and many gangs of men have been withdrawn, and shanties closed up. This is not to be deprecated, for it will tend to keep down production to a reasonable point and prevent a glut in the market. There is no reason for gloomy forebodings in this trade; at the same time, there can be no doubt that the true policy for the manufacturer on this side is to saw up lightly and avoid crowding the markets of the States. Better hold here than send forward what will break the market down.

The importing trade presents no particular features of interest.

Money for investment continues very plentiful, and good mortgages are taken now bearing only 7 per cent. This is a most happy change from the crashing times when the poor borrower had to pay 10 or 12, the sure end of which, in many cases, was ruin.

BUSINESS FAILURES.

A statement has been published by Messrs. Dun & Co., of New York, showing the number of failures in the United States for a series of years. It will be noticed that in 1869, 2,411 firms "went under," a larger number than at any time since 1861. In that year there was an extraordinary sweeping away of business houses, owing to the breaking out of the war. If a return of the last three months of the year just closed were given, it would present a formidable appearance relatively. There is at least the authority of one journal for saying that during the time mentioned, failures were more frequent than at any time since 1857. The heavy decline in gold within that period is a sufficient cause for the rather serious weeding out that has taken place. As the hard money basis is gradually approached, there will be a further and extensive lopping off of the rotten branches, stimulated into growth by an era of speculation and fictitious values; every one will feel poorer; economy will in a measure take the place of extravagance; a general curtailment of private expenditures will be the order of the day. The blow will fall heavily on every interest, but especially upon those interests started into existence by the abnormal state of things, having their origin in a general inflation of values. It is very desirable that the return to a sound currency should be gradual, otherwise a shock must be given to industry and commerce as will paralyze them through all their avenues, and which would in a measure depress the trade of this Dominion. The following is the statement of Messrs. Dun & Co.: