

not immediately convertible into coin but expected to be so at some future day. Which does our village M. P. want? If he wants a large currency of coin, Canada will have to borrow the money to buy the gold and silver to make it. She will then be deeper in debt than she is. If the second, there will be more promises to pay and again more debt. If the third there will be more debt still. So then more currency involves more debt, let us arrange it as we will.

But it may be that Mr. Thompson would not be bound by rules that have hitherto trammelled all paper currencies. He would perhaps issue paper *tokens*, containing no promise to pay at all; but stamped with any requisite amount at the pleasure of the Government. This kind of thing is not unknown in the world, but the only counterpart to it is to be found amongst savage or half-civilized communities. The happy Arcadians that keep themselves free from the benighting influences of tailors, towns, and civilization, are content with such tokens in the shape of shells, bones, corals and wild beasts' teeth. This money answers their purpose, and it has this advantage that the token is really worth something. But the token that is neither coin, nor evidence of debt, has absolutely no value at all. It is only a piece of spoiled paper. If Mr. Thompson fancies such tokens would pass as money he is in a state of verdant simplicity. We fancy his constituents would be too wise to part with grain in exchange for such rubbish. We doubt even if the people of St. Catharines would sell their goods for it.

We might say more, but this is perhaps enough for the present. We cannot however avoid giving our good M. P. a word of advice, viz., to read a little, think more, and observe more still, on the subject he writes so glibly about; by attending to which advice he will at any rate avoid so odd a spectacle as he has lately made of himself.

CANADA GUARANTEE COMPANY.

The success of this company proves the practicability of applying that fundamental principle of all insurance—the law of average—to meet an important requirement growing out of the necessities of trade and finance. It can scarcely be doubted that the cases of defalcations by employees are reducible to an average, as is the risk of fire to a given class of buildings or the danger of railway accidents. Guarantee insurance accomplishes for the employers of labor that which fire insurance does for the owners of combustible property; it diffuses the risk, or in other words reduces it

to an average so that the loss is little felt. But guarantee insurance accomplishes much more than this. It removes the unpleasant necessity of asking one's friends to become sponsor, in heavy penalties, for their good conduct. And better still, it greatly diminishes the liability to loss from misconduct. It is not always convenient for a banker or a merchant to trace up the antecedents of those he would employ. This task the Company undertakes in its own interest; and becomes by practice master of the best methods for finding out the record of applicants for positions of trust. It is this way, we are convinced, the number of defalcations should be greatly reduced; whether or not the tendency is clearly in that direction. It turns out, therefore, that a company which is carrying for a moderate premium the liability to loss of many institutions from a whole army of trusted officers and clerks, is yet able to make money. The system is clearly excellent, and tends to the convenience and advantage of all parties concerned. Private suretyships should therefore become a thing of the past.

Holding these views of guarantee insurance we were quite prepared for the highly favorable report presented to the shareholders of the Canada Guarantee Company at the annual meeting, an account of which appeared in our columns last week. It appears this Company has policies in force for a sum of over one and a half millions of dollars; producing an annual revenue of \$17,036.71. The total receipts were \$21,982.27 out of which a net balance of \$14,784 remained after paying all losses and expenses. A dividend of 8 per cent was declared—a moderate rate in view of the fact that the profits were equal to 35 per cent on the paid up capital. Mr. Rawlings has shown himself to be fully competent both to organize and successfully conduct this Company; and we feel assured, as we have from the first, that with the counsel of an influential directorate it will continue to succeed in his hands.

THE LUMBER TRADE OF THE DOMINION.

The number of men and the amount of capital employed in lumbering throughout the Dominion, are exceedingly large. It has become, next to Agriculture, the principal source of our annual exports—in fact, for years past, the receipts of the Dominion from timber and lumber have nearly equalled those from grain, flour, animals, butter, cheese, and all other agricultural productions of the farm. It is much to be regretted that, for several months past, this

most important interest, so closely connected with the prosperity of Canada, has been in a very depressed condition. Large stocks are held in the various lumbering centres, and indeed you cannot go any distance through the country without observing that even local Mills have considerable stocks on hand, which their owners seem to have as much difficulty in disposing of as those larger operators whose lumber principally finds its market in the United States and abroad.

None of our industries in Canada have had a more steady and substantial growth than that of lumbering. The existing depression has not been caused by any extraordinary and excessive production last year. There was an increase in the quantity produced as compared with the preceding season, but it did not surpass that moderate and steady progress which marked several previous years. This will be seen at once by a glance at the value of our exports from Confederation up to the latest published returns:—

1868	\$18,262,170
1869	19,838,963
1870	20,940,434
1871	22,352,211
1872	23,685,382

Twenty-four millions, not to speak of our immense domestic trade, are handsome results to be derived from one branch of Canadian industry, but cursory readers can hardly realize how much capital, how many men in the forests, how many in the mills, how many teams, how many vessels, how many sailors, and what an army of overseers, clerks, cullers and agents, find employment in this way. All the Provinces produce lumber, and as the countries to which they sell are various, so are the kinds of lumber manufactured. Ontario ships almost exclusively to the United States, and our exports consist principally of planks and boards, and firewood; Quebec sends chiefly to Great Britain and the United States, and South America, and the chief articles are hewn timber, white and red pine, deals and ashes; the Maritime Provinces on the east ship largely to the West Indies and South America, and prominent among the articles are deals, laths, planks and boards, shingles and scantling; and on the Pacific side, British Columbia has begun a promising trade in ordinary pine lumber with Chili, Peru, China, the Sandwich islands and other countries. Many will be surprised to find that the articles which are classed under the general head of "produce of the forests," are so numerous as the annexed returns of our reports for 1872 show:—