wholly alone, so long as we continue to form part of the British Empire.

Raids, or apprehended raids from Fenians will, probably, hereafter, have little or no effect on the commerce or the progress of the country. The first raid disturbed commerce, created distrust, caused an efflux of capital from the country, and prevented an influx to it. None of those results will now, or in the future, be produced. The confidence in our ability to protect life and property, now universal, will prevent any evils of this kind; and the worst that can happen will be a momentary flurry, with the resulting outlay on a defensive force, which must be borne as a sacrifice entailed by our position.

THE DRY GOODS TRADE.

The dry goods season just closed has been in Ontario cheerful and healthy; more so than for several seasons past. Stocks at the opening were unusually low, except in the case of those houses which constantly keep up an assortment, and even these had not all their lines as full as usual. Spring importations have been well cleared off, so that retailers now sorting up find it difficult to get just what they want. Goods, we are satisfied, have not been pushed off recklessly; customers generally have been carefully selected, and accounts which have not shown the requisite elasticity have been closely watched and tenderly touched, if at all. The volume of trade has not been so very large, but it is satisfactory. Satisfactory because stocks were light and there was no unrequired surplus to shove off. So favorable a season was hardly expected. The crop of last year was not above an average, and prices of produce have been steadily tumbling since last November, until quite recently. Large quantities of the grain crop are said to be still in first hands; therefore if the trade has been healthy, we must look for the cause not in an unusual demand for goods, but rather in a sensible and judicious limitation of the supply.

Now that a healthier tone has been established, it is for the importing merchants to say whether that tone shall be maintained. If importations are kept within a reasonable limit, we shall hear less of heavy losses, of disastrous failures, and have to record fewer flights across the boundary. There is a limit to the paying capacity of our people; not so it appears with their disposition to buy; that seems to be only limited by the extent of their credit. It is a well-known fact that when purchases exceed the ability to pay, somebody is bound to lose the full amount of that excess.

The credit system prevailing is peculiarly liable to abuse. The books of nearly every bankrupt tell the same tale, something to this effect: Stock, five thousand dollars; book debts, nine thousand—that is about the average proportion. The remedy for this is to shorten time, and compel prompt payments; and this movement must originate with the wholesale dealer. If retailers once find that book debts will not pay off notes that must be met, they will make increased efforts to keep their affairs in a more elastic shape. These matters are well understood by the trade, but the difficulty is to secure vigorous or united action. We believe there are enough independent houses in the trade who have the courage to take a right course, and adhere to it when once resolved upon.

There are various reasons why purchases should be kept low for the approaching fall trade. It is believed by the best informed that there is a very considerable quantity of heavy goods in the country held over from last winter. The wholesale buyers are now gone to make their selections in the British markets before the seed is fairly sprouted, and while the season's crop is yet a blank uncertainty. Still, on this crop, whatever it may be, depends the entire result. No other argument should be necessary to induce caution, especially now that the telegraph wires can repeat orders so quickly, and the best possible steam communication can lay the goods down in so short a time.

Then there is a new feature in the trade which bears on this point. Travellers for two or three houses are now out with samples of woollens, blankets, underclothing, hosiery, &c; sales made will be dated say the 1st September next. This is a mode of doing business which cannot lead to good results. How can a retail buyer correctly judge of his wants so long in advance? There are two objects to be served by the wholesale trader in adopting this method; the one is to get ahead of his neighbors in the same line; the other is perhaps to secure the advantage of a prospective decline in prices. To the retail trade the scheme only means mischief; the chances are all against him. He is buying for future delivery, which is a mode of speculation that even our speculative grain traders will scarcely venture upon.

The chief source of danger from undue credits in the dry goods trade is that it affords the opportunity of gratifying that love of display which may be ascribed in a greater or less degree to all classes of our people. Other kinds of goods are more subservient to use, and with them the case is somewhat different.

Long reckonings have been fairly tried and found wanting; the experiment should now be made with short credits. Let the term be reduced to four months; let the idea be impressed that prompt payment is expected in all cases; that extensions and renewals are not the rule, but the rare exception, and then there will be more money made, and we shall have much fewer demoralized and disappointed men.

AMERICAN FIRE INSURANCE COMPANIES.

A loss of about fifty or sixty thousand dollars, at the late Quebec fire, has revived the rumours of the complete withdrawal of the Home Insurance Company of New Haven from this country. The Canadian business of this and some others of the American fire companies has been quite unprofitable. One of them bewailed a balance on the wrong side of its Canadian account, last year, of some forty thousand dollars; others could show similar results, varying only in extent. How is this to be accounted for? It is very singular that our American neighbors, above all others, cannot "drive" a successful fire insurance business in Canada. If the descendants of the ingenious vendors of basswood hams and wooden cucumber-seeds are not shrewd enough to be successful here, where shall we look for shrewdness or success?

The fact appears pretty plain to thinking men on this side, that the American companies have not yet learned *how* to do business on this side of the lakes. Their present mode of doing it is not calculated to succeed, and will not, unless a change is made.

Policies are issued to agents direct, who are authorized practically to distribute them around pretty much as they please. No one man in Canada exercises control over the matter, but every man does pretty much "what is right in his own eyes."

The weakness of agents is an undue fondness for their commissions. This does not apply merely to Canadian agents, but it is a characteristic of the *genus* everywhere. If, then, an agent has a risk which a local company has declined, he is very apt to foist it off upon an American company: he issues a policy which is very rarely cancelled. In this way we believe some American underwriters are carrying more saw-mills, steam boilers, pork factories, paint shops, &c., than all the other companies who compete for the business of the Dominion.

Canadians can have no objection to this—of course not. There is danger, however, that our enterprising neighbors may tire of it. If it is desired to conduct business here with more profit, this could be accomplished by appointing one central board for the Dominion, or one good insurance man, who lives in the country and knows it with reference to the purposes of insurance; whose