

though very contracted, 20 millions. The reserve in gold and Dominion notes is about 14 millions. Assuming that the National Banks would require an equal reserve to that held in Canada, at least 200 millions would be wanted, and, if the legal tender notes were all called in, it would be necessary to hold the full amount in the precious metals, although legal tenders would answer precisely the same purpose if redeemable in specie in New York. It certainly is a most preposterous idea to require the 2000 odd national banks scattered over the Union to hold all their reserves in the precious metals, thus wasting some 6 or 8 millions a year, not only without advantage of any kind but at considerable extra cost to the banks, owing to the necessity of constant movement of the precious metals. M. Cernuschi is not satisfied with recommending a double standard, a recommendation which, coming from a Frenchman, reminds us of the fox that lost his tail and tried to persuade the other foxes to dispense with that appendage, but he proposes to alter the weight of the gold coin so as to establish the exact ratio of  $15\frac{1}{2}$  between gold and silver. How long this exact ratio is to last M. Cernuschi does not attempt to predict to his readers. One thing is certain, that the least valuable metal is the one that would alone remain in circulation, and the United States would be cursed with a depreciated currency in the future as in the past. It is incomprehensible to us how intelligent writers in the United States can be deluded into thinking that it is easier to resume specie payments with silver and gold than with gold alone. Of course, if those interested in silver mines can succeed in the remonetization of silver it will tend to enhance the price of that commodity, but at great loss to the mass of the people. The United States cannot displace gold as the standard of value throughout the civilized world, and if the double standard were adopted, as there is much reason to fear, gold will continue to be, as it has been, a marketable commodity on the Stock Exchanges, while silver will practically be the legal tender.

#### THE OTTAWA AGRICULTURAL.

The annual report of the Ottawa Agricultural Insurance Company, which will be found elsewhere in our present issue, bears evidence of the conservative and able manner in which the business of the company has been conducted during the critical period since its inception, towards the latter part of 1875, a period which has sent many a proud firm to the dust and severely tried the strength of some of the

leading joint stock companies of the Dominion. The Insurance business more particularly has suffered from the general depression, but in some degree according to the caution exercised in taking risks. The losses of the Ottawa Agricultural are incredibly small for the period, being only \$14,361, or about seventeen per cent of the premium receipts; a very small proportion even in good seasons, evidencing an exceptional care in the selection of risks. The remarks made by some of the shareholders, and more especially those of Mr. Geo. H. Patterson of the Montreal office, enter so fully into the condition of the company and its systematic policy that little is left to say as to the details of the report. We merely wish to draw attention to a few salient points. Certainly, the company cannot be accused of extravagance in respect to salaries, which in their amount approach almost to parsimony. The item \$17,088 under expenses of management are exceptionally low, as may be seen on comparison with other companies, being only about twenty per cent. of the premium receipts. The amount at credit of profit and loss foots up \$36,714, which would have enabled the company to pay a dividend on the year's business, but the Directors wisely concluded it more desirable to strengthen the position of the company and to be prepared for any possible emergencies that may arise incidental to three years policies. The directors and shareholders of the Ottawa Agricultural should feel highly gratified at having acquired a property the value of which should increase so long as the present good management is maintained, and such self-denial exercised as that almost unanimously exhibited by the shareholders respecting the dividend; and in this circumstance the policy-holders must also feel satisfaction in the wise provision made by the company to meet any losses they may sustain.

#### CONSISTENCY.

In last Thursday's number of the *Montreal Witness* we are informed in one paragraph that one feature of the protection question seldom referred to is the immorality occasioned by the temptation to smuggling when protective duties are "almost prohibitory," but in another paragraph we find an earnest appeal to our legislators to prohibit all traffic in liquor, notwithstanding the immorality that would most assuredly be occasioned by the temptation to smuggling where the law required the enforcement of absolute prohibition. Such blindness is characteristic of the fanatical prohibitionists.

#### HOME MARKETS MOST PROFITABLE TO THE FARMER.

[COMMUNICATED.]

While we export to foreign lands wheat, corn, barley, oats, peas, beans, butter and cheese, we lose the sale of a large amount of products that would be profitable to raise had we a large manufacturing class of mechanics to feed at home,—potatoes, cabbages, onions, beets, green corn, tomatoes, celery, radishes, carrots, turnips, strawberries, raspberries, currants, gooseberries, pears, poultry, etc., on which farmers realize the greater profit, but all of them too perishable to bear distant transportation. Does it pay the farmer better to seek a foreign market with the former list? or will it pay him better to have a home market for the whole of his products?

There is not a farmer in the Dominion who cannot see his land will increase in value when he can raise all these products and find sale for them; and every farmer knows it pays him best to have a market at home for these lesser products so long as he can raise them, besides still having the foreign market for the heavier products, should he have a surplus to export. According to the teachings of the free trade journals of Canada, such as *Toronto Globe*, *Montreal Witness* and *Herald*, they would have us all turn to farming. Suppose we carry this theory into practice and we do all turn farmers, to whom shall we sell? We certainly cannot sell to one another, for each of us would raise enough for our own wants; we should be compelled to restrict our productions to the first list above, and then we should need send our products to a market where we should have to compete with the whole agricultural products of the world—to Great Britain. Under this condition of things, being confined to raising only those products that we can export, suppose we have short crops like that of the past year, how could we pay our debts for the clothing, tools, agricultural implements, etc., which we imported? Not being manufacturers of any of these necessities and conveniences, we should be helpless and at the mercy of our foreign creditors.

Now suppose we look at the other side of the case, and say, instead of our all turning farmers, a portion of us become manufacturers and mechanics, and establish factories all over the Provinces, bringing a market convenient to the farmer's home, would it not pay him better than in the other case? would there not be less likelihood of a failure of crops when all these products could be raised and sold? Even should one or two of the products