

Granting, however, that the business of the country is likely to attain such dimensions as to require the entire present volume of currency for its accommodation, there is another aspect of the case to be considered. When the point is reached at which the currency ceases to be redundant, the supposition is that it will rapidly appreciate to par with gold, and that gold will then resume its functions as currency. When this takes place, one of two things is likely to occur: There must be a very considerable inflation, in consequence of the addition of gold and silver to the currency, or there must be a reduction in the volume of paper money. In other words, if there shall not be inflation, there must be contraction; but it will be contraction as a consequence, not as a cause; contraction brought about by natural and self-acting causes, not by Act of Congress, nor by the exercise of arbitrary power in any quarter. This would be a legitimate result, and, if it should take place, would not be liable to the same objections that are urged against contraction now.

But whether the coin shall be added to the paper, and so swell the volume of currency and produce inflation, or whether a proportion of the paper shall be retired, as the coin comes forth to take its place as a constituent part of the currency, the probabilities seem to be that, with a wise administration of the finances, paper and specie will gradually and surely, though perhaps slowly, approximate to an equality in value.

If it were possible, in considering the practicability of resumption, to distinguish between circulation and deposits, making the former payable in specie, while the latter should be payable in kind, much of the difficulty and danger attendant on a return to specie payments would be removed.

Although the legal objection to pay coin or lawful money for deposits, in the absence of any stipulation on the subject, is not disputed, yet it is probable that the banks, by concerted action, would have no difficulty in arranging with their customers to receive for their deposits the same kind of money deposited. This understanding is quite general between the banks and their customers, outside of two or three of the large eastern cities. If the banks in those cities would agree to settle their balances, through their clearing houses, in current funds, much of the difficulty of making deposits likewise payable in current funds would be obviated. Ordinarily those very banks pay all deposits in miscellaneous funds, and the obligation to pay specie or lawful money only recurs to plague them when they are least able to meet the demand.

It would be practicable to place the currency on a specie basis long before it would be possible to place the entire demand liabilities of the banks on a similar footing. In New York, provision could easily be made for thirty-four millions of bank notes; but, according to established usage there, specie payments would involve provision for over \$200,000,000 deposits. It is this practice which renders the finances of the country so unsteady and unreliable, to wit, the false principles which underlie the financial management of the great centres of money and trade.

## TORONTO STOCK MARKET.

Reported by Blaikie & Alexander, Brokers.

TORONTO, Dec. 20, 1871.

The transactions of the past week show a fair amount of business and a pretty steady market.

**Banks.**—Some large amounts of Commerce were placed at 129½, 129½ and 130 ex. dividend, with sellers now at the last figure. Sales of Toronto were made to some extent at 194½ and 195, with buyers now at 193½. Royal Canadian

was taken in round lots at 104½ to 105 ex. dividend, closing rather easier, with sellers at 104½. Ontario rules steady at 110½ to 111 for buyers, and offered at 112. Holders of Dominion would accept 109 to 108½, but there are no buyers at that. Montreal sold freely through the week at rates running from 253½ down to 250, with sales to-day at 250½, and buyers at 249½. Considerable sales of Merchants' were made at 135 to 136 ex. dividend.

**Bonds.**—Governments remain inactive and nominal. There is no movement to report in Dominion Stock. 96 is offered for 20 year City Bonds, with sellers at 97½. Not much doing in Counties, may be quoted at 101½ to 103. Townships are inactive at 95 to 97½.

**Sundries.**—Freehold Building is offered at 130, and sales at 138½. Canada and Western have books closed for dividend on 1st prox., and are without movement; the latter is held at 140 ex. dividend. Quotations of Provincial are nominal at 108 to 110. No sales of Union have been made for some time. 110 would be given for Landed Credit, but none offers. Building and Loan has books closed. No Western Assurance can now be had under 145, with buyers at 135, and at 87 for British America. City Gas would be taken at 128½ if any offered. Sales of Grey and Bruce stock were made to a limited extent at 65, and of Nipissing Bonds at 95½.

## Insurance.

**FIRE RECORD.**—Toronto, Dec. 18.—A fire caught in the dry goods store of D. S. & B. Adams, on King street west, but was extinguished with pails of water, before the arrival of the engines. The damage is settled at \$300 which is divided equally between the British America and the Lancashire. The fire was caused by a defect in the gas pipe in the window.

**Drummondville, Dec. 19.**—A barn, containing a quantity of hay, the property of Wm. Walters, near this village, was consumed. It is supposed to be the work of incendiaries.

The formation of a new bank is contemplated by some of the leading commercial and financial men of Quebec.

**Kingston, Dec. 19.**—A fire destroyed a stone building on Princess street, owned by Wm. Martin, and occupied by Chown & Sons, hardware merchants. Their stock was insured for about \$7,000 in the Western. The building was also insured.

—During the late conflagration in Chicago, two fire engines were sent from Bloomington, Illinois. In two hours and forty minutes from the time they started, in a special train, over the Chicago, Alton and St. Louis Railroad, they were throwing water on the fire. The train had made the run, one hundred and twenty-six miles, in two hours and ten minutes, and the run from Bloomington to Joliet, eighty-nine miles, was made in eighty minutes.

**London, Dec. 9.**—The dry goods store of R. Manley caught fire from a heated stove, but the flames were extinguished with slight damage. Insured in the Royal for \$2,000.

**Belleville, Dec. 12.**—Smith's foundry, on Mill street, caught fire; the main building was gutted, and the moulding shop alone remains. Only a small portion of the contents was saved; loss stated at \$15,000. The foundry premises were valued at about \$3,000; insured in the Western for \$1,500 on building, and in the Citizen's for \$1,500 on stock.

**Trowbridge, Ont., Dec. 10.**—A fire occurred in this place by which a tannery, including stock, and other buildings were burned.

**Odessa, Dec. 16.**—The premises of Henry McGuin, including dwelling-house, outhouses, &c., were destroyed. There is \$400 insurance on the buildings.

**St. John, N. B., Dec. 20.**—A fire in the town of Portland, St. John, this morning, destroyed four-wooden dwelling houses on the corner of High and Acadia streets. The buildings were occupied by seven families, and were valued at about \$4,000, with about \$2,000 insurance, \$1,300 of which was in the Liverpool and London Office.

**Cobourg, Dec. 20.**—A fire broke out last night in a building in the east end of the town, used as a soap factory by Mr. George Howard. It was totally consumed. Loss about \$2,000; insurance, \$500 in the Lancashire Insurance Company.

## INSURANCE MATTERS IN MONTREAL

From our own Correspondent.

MONTREAL, Dec. 19th, 1871.

Since last advices our fire calendar here has been very light, and scarcely worthy of record.

**Nov. 14.**—After closing last report, a fire, the third or fourth within a few weeks, was discovered in a pile of lumber in the yard of Mr. Regis Labelle, 466 St. Joseph Street, but was suppressed by the proprietor without the aid of the Brigade, before much damage was committed. A mysterious fatality seems to hang over this place.

**Nov. 20.**—At about 7.30 this evening, a fire broke out in the basement of the house of Victor Deom, confectioner, corner of St. Catherine and St. Elizabeth Street, said to have been occasioned by the boiling over of some melting lead. It was easily extinguished, after committing damage estimated at \$100; covered by insurance with the Citizen's.

**Nov. 26.**—At 1.30 p.m. this day (Sunday), the hot air furnace of John Wood & Son, jewelers, in the Seminary Building, Notre Dame Street, set fire to some wood-work in its vicinity. As it revealed itself in mid-day, and the fire brigade was promptly on hand, the fire was quenched before it had made headway, and the damage done was but very trifling.

**Nov. 29.**—At about 8 this evening a fire broke out in the upper flat of the hardware store of A. A. Wilson, 221 and 225 St. Paul st., near Jacques Cartier Square. It would appear that the weather being intensely cold, a fire had been kindled in an old fireplace, and being carelessly left smouldering, communicated to inflammable matter at hand, and set the whole place on fire. The hose reels and their armament, were soon on the spot, and notwithstanding an explosion or two, from gunpowder in store, which blew out the windows and shutters into the street, succeeded after nearly an hour's severe exertion, in suppressing the flames. Owing to the severity of the weather the firemen suffered greatly, and had much difficulty in coiling the hose on the reels, as it froze up stiff on being relieved of the pressure of water. The insurances were with the Northern, \$10,000; British America, \$6,000; and Lancashire \$4,000; and the loss will probably reach 35 per cent. of the face of the policies.

**Dec. 3.**—Sunday—At 12h 30 m.a.m. this day a fire broke out in the stables of H. J. Shaw, Dorchester street. The fire had gained force before the alarm was sounded, and by the time the brigade arrived, the stables and the adjoining house were wrapped in flames, which, after a sharp struggle were extinguished. Two houses, however, one belonging to Messrs. Mussen and Macfarlane, grocers; the other to a poor carter named Gallahan—fell victims to the occurrence, the origin of which is unknown. No insurance.

At a little after 7 the same evening a fire broke out in a small fruit and candy store, kept by John Campbell, at 10 Bleury street, caused by the bursting of a coal oil lamp. The hose reels from the central station were quickly on the