

WHAT IT TEACHES.

A RECENT meeting of the creditors of one of the largest produce merchants of the Province, and the failure during the year of a number of the best men in the trade, suggest a moral that it will be wise to bear in mind. The merchant in question was the last and strongest of a number of able men who, in the last five or seven years, not only owned the great bulk of the crop of Canada, but handled immense quantities of the produce of the Western States. All, or very nearly all, of his competitors have gone to the wall; and he, though the most untutored of them all—yet deemed naturally the most shrewd,—has at length had to beg the indulgence of creditors. Estimated worth at one time, at least half a million of dollars, with, it was said, privilege to draw from the inexhaustible fund of the orders of his co-religionist here, with a credit which permitted a large account at every bank in the city, and a general confidence in his name that was unquestioned,—with all these advantages,—natural, social, and financial,—the end of an unprosperous season finds him with liabilities to amount of \$500,000, which, though he has a large nominal surplus, he finds it impossible to liquidate. He justly enjoys the sympathy of all in the trade; while his embarrassment may have quite an influence on the condition of the country, for at this time last year he had buyers of grain at nineteen important points, while this year he has none at all. The lesson that is taught by all this is one which is by no means new; but is one which even the wisest seem frequently to lose sight of. It is, that disaster is the inevitable result of reckless speculation; and that, however fortunate a few years' business of this nature may prove, and with whatever prudence and ability exercised, there is only one end—and that end is ruin. The haste to get rich by games of such tremendous hazard, is never successful; and he who plods along the sure old path of cent by cent will attain the desired end long before the rapid but reckless operator. Aside from the general anxiety and the dreadful disappointments which are incident to a speculator's career, the certainty of his fate is so frequently and so painfully illustrated, that the wonder is so many are ready to undertake it at all.

Another point to which recent events have given prominence, is the effect which large loans by our banks to any one individual produces. The tendency to speculation, which we have been remarking, is thereby fostered and encouraged, and in nine cases out of ten the result of excessive accommodation has been ruin to the individual, and loss to all concerned.

Another year has added some of our best names to the long list of those to whom the produce business has been fatal. The number left with means, disposition, and ability to move the crop, is less than for many years past; and if a more cautious policy is adopted, rates paid more in proportion to those current abroad, with less excitement created in the local markets, there is some hope that for a time, at least, money may be made in this most important branch of trade.

FLUCTUATIONS IN GOLD.

AS a matter of history, and as an indication for future operations in the various seasons of the year, we have carefully compiled the following statement, showing the highest and lowest quotations for gold in the New York market for each month in 1863 and 1864.

	1863.	1864.
January.....	133 to 160½	151 to 159½
February,	153 to 173½	157 to 167½
March.....	140 to 171½	159 to 169½
April.....	146½ to 169½	166½ to 188
May.....	143½ to 155½	162½ to 190½
June.....	140½ to 149½	189 to 226
July.....	133½ to 145½	233½ to 289
August.....	122½ to 129½	231½ to 261½
September.....	127½ to 143½	187½ to 253½
October,	140½ to 156½	189½ to 230½
November,	143½ to 154½	210½ to 260½
December,	147½ to 152½	211½ to 243½

The greatest variations were in June, July, and September of 1864. The highest and lowest points touched in the two years are emphasized by a heavy impression,—the lowest in August, 1863, 122½, the highest in February of the same year, 172½. In 1864, the lowest point reached was in January, 151, and the highest ever yet reached was in July, when the quotation was 289.

The shipments of gold and silver from Great Britain to the East during 1864, were £3,034,000 stg., against £14,230,000, in 1863.

CAPITAL OF THE COUNTRY.

WE present in another column, from the annual circular of the Mercantile Agency, an approximation of the capital employed by the merchants and manufacturers of Canada. It will be seen that the total foots up to One Hundred and Ten Millions of dollars. The amount is very equally divided between the Eastern and Western sections of the Province. In Eastern Canada, of Fifty-six Millions of dollars, nearly one half, say Twenty-six Millions, is owned in Montreal, and Ten Millions in Quebec—the balance, Twenty Millions, is absorbed in the country districts. In Western Canada, there is a larger distribution, the five cities of that Province owning Twenty Millions, the balance, Thirty-one Millions, being spread over the remainder of the country. The important position which Montreal occupies as compared with the rest of the Province is illustrated by the following:

Business Capital of London.....	\$2,137,000
" " Kingston.....	2,843,000
" " Ottawa.....	2,967,000
" " Hamilton,	7,073,000
" " Toronto.....	8,731,000

Total in five cities,..... \$21,831,000

Capital of Banks controlled in Canada West,

9,237,000

\$31,068,000

Business capital of Montreal,..... 26,893,000

Capital of Banks controlled in Montreal, 16,631,000

\$42,224,000

Showing that the capital of Montreal exceeds, by over Eleven Million dollars (\$11,135,000), the entire business and banking capital of five Western Canada cities. And even this is unjust to Montreal; for of the Five and three quarter Millions of capital in the Commercial and Ontario Banks, which go far to swell the Upper Canada banking capital to Nine Millions, a very considerable portion is owned in Montreal. It will be no exaggeration to say, that the excess of money controlled in Montreal over that of Western Canada, is at least Fifteen Millions of dollars. We shall take a future occasion to furnish some facts as to the amount of capital invested here in stocks and other securities. Returning, however, to the Mercantile capital of the country, the following will be interesting as showing the number of traders, and the limit of their capital, in both sections of the Province:

	C. E.	C. W.
\$1,000.....	1379	4260
2,500.....	502	1829
7,500.....	409	918
17,500.....	333	478
35,000.....	171	212
75,000.....	161	94
150,000.....	64	46
300,000.....	16	8
750,000.....	12	5
Without capital	612	2249
No. engaged.....	3605	10,029

The estimates of the business capital owned and employed in the twenty-three loyal States of the American Union, omitting California, show an aggregate of Four Billion Nine Hundred and Forty-four Millions, Seven Hundred and Seventy-six Thousand dollars (\$4,944,776,000). This amount at gold value in sterling would be about \$494,436,000. The number of traders engaged is set down at 188,925. In the city of New York alone the Mercantile Agency reports 10,646 names, with a total capital of \$1,233,010,000, or very nearly one fourth of the entire business capital of the United States. This is about the same proportion as is held by Montreal in comparison with the rest of Canada. If the average net profit of the year is 10 per cent. on the capital of the above States, the gain on the year is equivalent to nearly Five Hundred Millions of dollars in their currency. This, with the immense developments during the year in Petroleum, Gold and Silver mining, and the increasingly valuable agricultural territory constantly being opened up, inspires confidence in the belief that, notwithstanding the enormous debt which our neighbors are heaping up, an early return to peace would enable them soon to return to a normal prosperous condition of things.

Mr. Archibald McKinley, late of the Bank of Scotland, Edinburgh, is the new Inspector of the Bank of British North America. Mr. Riddell, the former Inspector, is now Manager of the Kingston branch, in place of Mr. C. F. Smith, who goes to Quebec vice Francis Wood resigned.

A GREAT BLOW.

DICTATED by whatever spirit, and bear it as we may, the repeal of the Reciprocity Treaty will be a most serious blow to Canada. The resolution which passed the Senate of the United States on the 11th inst., and which only requires the assent of the President to give it effect, practically abrogates the Treaty one year hence. It only needs a revival of the proposed abolition of the bonding system, which was talked of last year, and a continuance of the present passport regulations, to cut us off from the United States as completely as we are cut off from Japan. It is certainly a great step backward in the history of nations, that two countries, bound together by a thousand ties of ancestry, of language, and of interest, should be thus rudely and suddenly separated by enactments and restrictions belonging to a period that to a free people has long gone by. It is, as Mr. Haie said in the course of the debate, at a time when men take counsel of their passions rather than of their judgment, that such violence is done to an age in which the greatest liberty and freedom of intercourse is cultivated among all countries. The arguments used by the opponents of the Treaty, as far as reported, were exceedingly weak, and Mr. Sumner's speech was so full of lame points and incorrect conclusions, built upon poor suppositions, that one is really disposed to smile at the flimsy excuses urged. It seems as if he were apologizing for something of which he was ashamed; and beyond all question, underneath the whole movement the actuating motive is an attempt to spite England by injuring Canada. The decisive majority in the Senate, only eight voting for the continuance of the Treaty, against thirty-one to abolish it, indicates how determined and unanimous this feeling has become. Looked at as an act of enmity and spite, the action of Congress is certainly most important, and if the feeling in England is at all indicated by the recent tone of the press of that country, we may expect such treatment will not be submitted to without an indignant protest. We most earnestly trust that it may go no further, but that better counsels may prevail among our neighbors, and peace between the two countries.

But to come back to the mischief that is already done. It seems impossible to realize that, after this year's crop, we will be unable to sell Oats or Barley or Wool to our friends across the border: that the market for a large portion of our highest grades of Flour will be shut to us; that sawn Lumber it will be impossible to sell, and that Wood, Shingles, Fish, and numerous other articles will find no market. Yet such is the present prospect, unless some great and good change comes over our American cousins. We do not want to borrow trouble, nor to be deemed alarmists, but danger, if real, is less harmless if looked in the face. The farmers and merchants of the country cannot know too soon that one short year may make the greatest possible difference to them in the value of a great bulk of the products of the country. What federation of the Provinces, and the immediate construction of the Intercolonial Railway may do for us, remains to be seen,—especially in opening a seaboard the year round. This conclusion is inevitable, either a new market will have to be sought, or a new class of products cultivated. The sooner this is realized, and the earlier the community begin to discuss the subject, the better will the country be prepared for the change. We present herewith a statement, showing the quantity and value of Canadian products exported to the United States in 1863, all of which, if they had to pay a duty, would be debarrd from entering into competition with the growth of the United States.—

	Value.
Produce of the Mine.....	\$312,950
Fish.....	112,193
Lumber and Timber.....	4,397,103
Horses, Number, ..	19,335
Cattle, " ..	21,665
Swine, " ..	33,544
Butter, Lbs.....	7,053,593
Hides.....	110,635
Sheep Skins.....	185,392
Wool, Lbs.....	2,475,918
Other product of Animals,	462,966
Barley and Rye, bush., ..	2,745,016
Flour, brls., ..	1,095,691
Oats, bush., ..	4,500,000
Peas.....	279,533
Wheat.....	1,410,462
Other Agricultural Products.....	2,025,844
Total.....	\$17,578,990