

The inference that we draw from the foregoing facts is that in 1877 both our import and export trade was on a satisfactory footing, and that the depression which has existed, and still continues to exist, has arisen principally from two causes. 1st. The shrinkage in the value of goods owing to the reaction which succeeded to the abnormal demand, the cause of which was fully explained by the London *Economist*; and 2ndly, to the loss of the United States market for the descriptions of lumber which they had imported largely prior to their own depression, which has been much more serious than ours, owing to the extent of their manufacturing industries. We admit that in 1877 losses may have occurred in the distribution of our imports, owing to the effect of the shrinkage in values to which we have already referred.

We shall merely observe, in conclusion, that, without pretending to controvert what seems to be the general opinion that there has been culpable overtrading, we are persuaded that the existing depression is mainly to be attributed to a considerable abnormal demand in the general markets of the world during the years following 1870, and which being far in excess of the supply caused an inflation of prices in all staple articles of consumption. Large stocks of goods were imported and distributed among retailers at these inflated prices; and when in the course of time the abnormal demand ceased, and prices fell to their normal level, the shrinkage on the stocks held both by wholesale and retail dealers caused the disasters to which we have already adverted, and which were intensified owing to the inadequacy of the capitals of those engaged in trade, and to the undue expansion of the credit system.

THE MEASURE OF VALUE.

We ought perhaps to preface the remarks which we are about to make by an apology to our readers for deeming it necessary to call their attention to a letter, signed W. B., which was recently published in an evening contemporary, on the subject of the new silver dollars coined at the United States mint. The writer of that letter must imagine that there is an amount of ignorance in the community that we are fully persuaded does not exist. His object is to impress on the minds of Canadian merchants the idea that these new dollars are a very valuable description of currency, and he presses into his service a mythical merchant possessing, unless we are wholly mistaken, very little of the intelligence with which the mercantile class in Montreal is gifted.

This mythical merchant commences the imaginary conversation by disparaging the new silver dollar, a specimen of which he had brought with him from Boston. He is at once met by the letter writer with a request that he will place the coin on his post office balance, and try to move it with four of our quarter dollars, and on his failure, he is asked to try a ten cent, and then a five cent coin in addition, the result being that the mythical merchant is "puzzled," and can't comprehend "why people should rail against such a dollar as this." He is then told that the silver coin is 13 to 14 per cent. more valuable than the English or Canadian silver coins, and he consequently asks in surprise, "can it be possible that that lean scarecrow over the lines issues weightier coin than fat John Bull?" This is about the substance of what we shall, for courtesy, term the "argument," although there are some extraordinary statements about the value of the American, as compared with the Canadian currency to the effect that the industry of Canada is paid in less than 87 cents on the dollar, "facts which nobody who understands the question can dispute." The italics are W. B.'s, and are used to emphasize his own peculiar knowledge of the subject.

Can it be possible that W. B., who has undertaken to instruct our fellow-citizens is ignorant of what constitutes a "measure of value?" His letter would certainly induce us to suppose that he is. Our silver tokens are not a measure of value any more than are the silver tokens of Great Britain. They are merely tokens issued from the Royal Mint for public convenience, and for the same purpose made a legal tender for a mere nominal amount. Our "measure of value" is the gold sovereign and American eagle, which are legal tenders to an unlimited extent. All our paper currency is convertible, directly or indirectly, into gold on demand; and our silver tokens being issued in small amounts, and only to the extent of the public requirements, have always been at par with gold.

The American silver dollars, on the contrary, are a legal tender under the late Act of Congress to an unlimited extent, and are being coined at present in large quantities, and, as they are in very limited demand in the United States, it is far from impossible that there may be an attempt made to give us the benefit of another silver nuisance. If "W. B." has been employed to ventilate any scheme for forcing this bogus coin into circulation in Canada he will, we feel assured, be disappointed. Canadians have had quite enough already of American silver.

THE LONDON AND LANCASHIRE LIFE ASSURANCE CO.

We have at length been able to make room in our crowded columns for the annual report of the London and Lancashire Life Assurance Company, which the policy holders and the public at large will read with interest, as showing the condition of one of the favorite English companies doing business in Canada. The remarks of the worthy chairman of the meeting fully dispose of the state of affairs at headquarters, we, therefore, confine ourselves chiefly to a few remarks as to the status of the Company here. Reference to the Government insurance returns shows that the company has made remarkable progress since they Canadianized the business in this country, in so far as related to investments in Canada of all the earnings of the Branch, and to the authority granted to the Board of Directors here to dispose finally of all proposals submitted for assurance, and to settle without reference to the head office all claims arising in this country:

New Business
for the Year.

Year.	Premium Income.	Policies.	Amount.
1875.....	\$21,702.00	103	\$185,500.00
1876.....	28,559.00	204	384,800.00
1877.....	42,707.33	455	\$11,750.00

The result has been that the Canadian investments of the Company have increased in 1877 over 25 per cent., the total at the end of the year amounting to \$142,525.76. The foregoing figures are the best proof of the popularity of the Company and its management in Canada, and this especially in a period of depression marked by the total collapse of so many American companies, and the damaging rumors affecting others, which not all the strength of a few companies among them, backed by certificates and fine arrays of figures, could prevent from making many people disaffected towards life assurance generally. Doubtless the unqualified success of the Company in Canada is largely due to the efficient staff of general agents throughout the country, and whose selection and appointment are not the lowest test of a manager's ability. The following well-known gentlemen compose the Board of Directors in Canada, and who are of themselves a sure guarantee that the affairs of this branch will be administered with judgment and honesty: Chairman—Hon. Donald A. Smith, M.P., Director Bank of Montreal; deputy chairman—Edward Mackay, Esq., Director Bank of Montreal; John Ogilvie, Esq., (Messrs. Ogilvie & Co.); Robt. Benney, Esq., Messrs. Benney, MacPherson &