

A GOLDEN OPPORTUNITY.

WE think it may be safely asserted that never before during a similar period has there been so much grain moved to market in Canada, as during the last three weeks. Not only at all frontier markets has there been activity in the produce trade, but in internal and even remote towns there has been a very fair business done. Of the barley crop—valued at three million dollars—at least one third has already found a market, and of wheat and other grains as much more, in value, has been brought out. The sales of dairy produce, cattle, sheep, &c., have continued in all sections of the country, and it may safely be asserted that at least three millions of dollars have been realized by Canadian farmers, for the products of the present cereal year. Every article that the farmer has had to sell meets with the readiest demand, and as to prices, they have been seldom more satisfactory. Everything sold has yielded a good profit, and the season thus far is remarkable for the three great elements of success,—a large supply, an active demand, and a first rate price. Surely our farmers have the greatest cause for gratitude, and our merchants for thankfulness, that the country has been thus blessed.

Another somewhat remarkable feature in this season's business, has been that the great bulk of the produce operations thus far, have been to fill orders from our American friends. The high prices which have been paid have not been the result of unwise or suicidal competition, on the part of our own people. If there has been any speculation, it has been for the briefest period; dealers sell almost as rapidly as they buy, and not unfrequently make sales for future delivery. The whole business thus far has been exceedingly satisfactory; and September, 1895, should be marked with a white stone in the annals of the Produce Trade.

We are mainly indebted to the United States for this favorable condition of things. The firmness of the English Markets and the large orders here from Britain for dairy products, has no doubt favorably influenced prices; but without the demand from the United States we could never have experienced so satisfactory a season. Prices are very much higher here, in proportion, for almost every product we have to spare, than they are in England. The consumptive demand from the United States is at present so great, and their necessities so pressing, that their buyers seem determined to get hold of our produce, at whatever cost, and with the comparatively steady market for gold, there has been little or no difficulty in operating between the two countries. The amount of American capital which has come into the country for the movement of this produce has, of course been very great; and even had the English Markets warranted prices so favorable, we very much question whether the facilities which our own people possessed would have been sufficient to enable them to handle the crop thus far with as great advantage. Had we been deprived of the United States markets, our Banks would doubtless have done all in their power to assist us; but the lack of monetary responsibility in the Produce Trade, and the scarcity of freights, would have prevented anything like the activity which has already taken place, had the English Markets been our only outlet. Never before have the advantages of Reciprocity been so apparent as at present, and never before have the markets of the United States been so attractive or so profitable to our producers and operators.

It must be understood, however, that these markets are at the present moment in an unusual condition. The wildest speculation prevails in the most influential localities. Whether it is the result of an abundance of paper currency, or whether it is based upon those incorrect estimates of the product of the West, it is impossible to say, but beyond all doubt there has seldom been a time, even in the history of the Produce Trade, when there was such desperate gambling as at the present moment. In Chicago prices have steadily advanced, until they have reached a point at which the legitimate trader stands almost appalled, and buyers for consumption find it impossible to get supplies. The large number of these speculators, and the vast amount of capital which they control, has so enabled them to keep the market up, even in the face of pretty heavy receipts from the interior. Not content with controlling Western points, these dealers have endeavored to influence even Eastern markets, and purchases in New York and other centres at high rates have, it is understood, been effected on their account. It is a desperate effort to keep the market strong against circumstances that day by day become

more powerful to weaken it. A return of fine weather in England, the tendency of prices there to a decline, and above all, increased receipts by every channel leading from the interior,—all seem to contribute to the breaking-up of this combination for high prices. It is impossible to imagine that these rates can continue, in view of these circumstances; and unless the country is greatly deceived as to the extent of the crop, or in the probable demand, either for local consumption or for export, there seems hardly room to doubt a tumble in prices on this side of the Atlantic. Whatever may be the result in the United States, this condition of things is most favorable to Canada, and to it may we attribute, in no small degree, the high prices and satisfactory nature of our Produce Trade. We need not quarrel with our neighbors in an insane attempt to give permanence to a grossly speculative and fictitious value. Our best policy is to take prompt advantage of the opportunity afforded our farmers of getting rid of their produce, and we are gratified to observe the rapidity with which the crop is everywhere being marketed.

There is one fact which it seems most important should not be lost sight of, and that is the great danger of a collapse. Our Canadian operators should bear this always in mind. It would be most unwise on their part, to speculate in the hope of a continuance of the present rates. As sure as they do, they will make a mistake, and the best—indeed the only safe—plan will be to realize as rapidly as possible. They have an opportunity to make money while the excitement continues, but they will have an excellent opportunity to lose it, if they hold their stuff until the excitement dies away. Quick sales, at even small profits, will make the year much more satisfactory than large accumulations and chances of a loss. The farmers of the country will also do well to remember that the present is a golden opportunity for them. Not only have they a chance of realizing, quickly, high rates on all they have got to sell, but it is a chance not likely to be repeated for some time to come. Even in the ordinary conditions of trade, the repeal of the Reciprocity Treaty should induce the greatest desire to get their produce to market as rapidly as possible; but with the high prices and active demand which now prevail, there is an additional incentive to this end, which nothing but the blindest folly should prevent farmers from following.

THE GENERAL CONDITION.

THE general condition of trade all over the country is most gratifying. The rapidity with which the produce of the country is being converted into money, the high prices which the farmers are realizing, and the general disposition which they evince to sell, is having a most salutary influence. Money is circulating freely in almost all sections of the Western Province, and a revolution is being accomplished in the general condition of trade. Country merchants are sanguine of rapid collection of their outstandings, and their sales in almost every article for cash and produce are large and satisfactory. The remittances to importers on account of Spring purchases, maturing this and following months, are rapidly increasing, and the amount of bills receivable which will be carried over this season, forms a striking contrast with that of last autumn. We have hardly yet had a month of the Fall trade, yet there has seldom been so short a period in which results more satisfactory have been accomplished. The indications, too, for the next six or eight weeks are equally favourable. In almost every department of trade, and almost every locality, it may be said that a healthy condition exists. Farmers are doing as well and better than they ever did before, except perhaps in '93. Merchants have rarely had less difficulty in disposing of their stocks at more satisfactory rates. For lumber, the demand from the United States has of late largely revived, and the shipments in the past twenty days have not only been large, but at prices which promise a good profit to dealers. In timber there is at length some signs of activity, and with low freights, better prices are being realized by holders. For every article of Canadian manufacture there is also an active demand at very profitable prices which continue to advance. Even the fishermen in the Lower Ports have had good luck, and there is hardly any class in the community which does not, in some degree, enjoy prosperity. The continuance and growing extent of the export trade, in imported goods, from Canada to the United States, is also a most gratifying feature. Nearly all our grocery, hardware, and leather merchants have made money thereby; and there seems no reason to doubt that, for the present season at any rate, very considerable profits may be realized from this trade.

FLAX AND ITS MANUFACTURE.

BY our advices from Western Canada we are gratified to learn that much progress has been made this year in flax cultivation. The season has, upon the whole, been favourable for the growth of the plant. A gentleman connected with the flax business informs us that the quantity grown this summer far exceeds that of any previous year, and the quality is excellent. Two or three years ago, none but the most enterprising farmers would undertake to sow flax, even when the manufacturers offered to supply them with seed. But things have now changed. Farmers in all sections of the country are giving the new crop a trial, and the steady increase in the quantity grown each year, is the best indication that, when properly planted, it will yield a fair remuneration.

The rapid progress being made in Canada for the scutching and manufacture of flax, is also very gratifying. We believe Waterloo County to be the pioneer in the flax business in Western Canada. The Messrs Perino commenced a scutching mill near Doon in that county about ten years ago. They have now a large flax factory there, one at St. Thomas, and another at Canestoga, a village about six miles above Berlin. Mr. Wm. Perino has recently entered into partnership with Messrs Gooderham & Worts, of Toronto, and an immense flax mill is about to be erected at Streetsville by them. Messrs Elliott, Hunt & Co., have recently commenced operations in their splendid new flax mill at Preston. This establishment is fitted up in the most complete manner, the buildings are admirably arranged, and the machinery of the most perfect character. They are now turning out large quantities of coarse linens, ropes, and linseed oil. Extensive scutching mills are in operation at Norval, E. Woodstock, Morningside, Baden, and as far back as Walkerton, with many other places, and several new ones are in course of erection. The amount of capital now invested in this new branch of industry must be considerable, and everything promises at present that the manufacture of flax will yet become one of the most important interests in the country.

The market for flax and also flax seed, is active. American dealers are buying in the West, and the prices of both fibre and seed have advanced. There is considerable difference in the price of flax—in some cases as low as \$3 per ton, and in a few cases as high as \$15, being paid. This arises from the great difference in quality, and shows that our farmers have yet much to learn as to the best land upon which to sow, the best system of cultivation, and the proper mode of rotting. Flax seed has risen from \$1.25 to \$1.60 per bushel within a week, and the tendency is upwards. Considerable activity is being shown by Western flax dealers in buying up the crop grown in the various sections of the country.

We think the Province may fairly be congratulated on the proportions which our flax business is assuming. Should the Reciprocity Treaty be abolished, we would advise our agricultural friends to enter more largely into flax growing. The mills in operation and in course of construction, will ensure a home market for all that can be raised, and when its cultivation is a little better understood, we doubt not it will afford an adequate return. If we can substitute for some of the articles which the annulment of reciprocity may affect injuriously, a larger yield of flax, to be manufactured and consumed in Canada, it will be a fortunate thing for all classes of the community.

The Money Market.

Sterling exchange is excited in New York, having advanced half per cent in the week, the rate now being quoted from 109½, and still advancing. The supposed cause is the small shipments of cotton and produce, and the great demand for bills with which to pay the enormous imports which the United States are now receiving. Here sterling exchange is in moderate demand and scarce. Purchases have been made through the week at 109½ cash, but the price for to-day's steamer will probably not be less than 109½. There is but little produce being shipped from this point, and in the absence of timber bills from Quebec, New York affords the only source of supply.

Freights from New York to Liverpool are very firm in view of the limited amount of tonnage offering. There is good demand for vessels for charter, especially of the smaller grade. We notice engagements of several of the latter class for grain at 6½c, but there are no engagements reported for wheat or flour.