

gold reserve is regarded as a retrograde move; and the measure as "the first step in the downward course to an irredeemable paper currency."

Sir A. T. Galt, in the next issue of the same paper, replies, though not effectively. He pleads the prospect of an active and increasing demand for circulation; which is wholly beside the question. The objection is to the mode in which that demand is to be supplied; not necessarily to the addition of Government notes, but to the new conditions on which they are to be issued. The *Economist* rejoins. It presents the effect of the change in this light: "The present issue of Dominion notes amounts to \$12,400,000, and against this a gold reserve of \$4,140,000 had to be maintained. Under the new law, however, the gold reserve will be cut down to \$1,860,000, and that surely is a sufficiently real and radical change. In addition to the gold, there will now, of course, be the ten per cent. of Dominion bonds; but without at all questioning Sir A. T. Galt's assertion that these might be converted into gold within twenty-four hours, we cannot admit that a paper reserve of this kind is at all equal in efficiency to gold. In times of extreme stringency, the effort to convert such securities into gold might greatly aggravate the financial pressure. We are of opinion, therefore, that the security for the Canadian note issue has been distinctly impaired." This is, in the main correct. The sale of the bonds in the New York market would not, however, be likely to increase financial pressure in Canada. We are not surprised to find so able a journal as the *Economist* taking the same view that we took of this measure from the first; and we are more than ever convinced that that view is the correct one. However, the measure having been adopted, we can only hope that the evil possibilities with which it is pregnant will not develop into disaster.

#### LUMBER AND TIMBER TRADE.

In a New Brunswick paper we find it complainingly stated that the accounts from the British markets are not satisfactory; that there is a glut of deals and of birch timber, and that the price of the former had receded ten shillings per standard below February or early March prices. It is hardly remarkable that that should be the case, or fair that New Brunswickers should complain, when we remember that the arrivals from British North America during April were 12 vessels, 11,719 tons, against 3 vessels, 2,871 tons, during the like period of 1879. Farnsworth & Jardine's May wood circular stated that "Spruce deals have come for-

ward much too freely, the import having been far in excess of previous years, being 3,085 standards in excess of last year, whilst the deliveries have only been 2,020 standards in excess."

Stocks of timber and deals in Britain are too large for this time of year, we are told, larger than for two years, and there has been no really healthy demand. Pine deals rule low in value. Birch has declined 4 pence per foot. Then the Timber Trades *Journal* of early May reported the Liverpool market to be quiet, with, however, a steady consumption of all timber and deals, but *excessive imports* of spruce deals from New Brunswick, "which are now the weakest goods upon the market"—buyers holding off, while "the most recent sales have been below cost of importation." This certainly does not look as if our Maritime Province exporters had been well advised in making such over-shipments in the hope of last winter's rise in value being maintained. For this advance the *Journal* considers "there was little or no warrant; and prices of birch timber, the next item in importance to spruce deals, are likely to remain low unless the import be curtailed."

Unpromising news, surely, for spruce and birch; but other woods fare better, for we learn from the same authority that "The stocks of pine deals are very small, and good qualities being scarce, high prices are asked, and there is every reason to believe that these will be maintained, as the cost of the coming import will be much higher than that of last year, owing to scarcity of prime wood and the large orders which have been taken by the United States."

From the British Board of Trade returns we gather that the total imports of wood from all countries into Great Britain for the first four months of last year as compared with this, were 299,168 loads, valued at £602,871 in 1879, against 482,973 loads, valued at £984,730, this year in same period, showing those of 1880 to be over sixty per cent. greater. The imports of sawed wood (lumber), from British North America were, in first four months of 1879, 37,433 loads, worth £78,721, against 78,159 loads in 1880, worth £174,384, showing more than double the quantity this year. Hewn timber in four months, 1879, amounted to 5,540 loads, worth £17,276, and in 1880 to 8,602 loads, worth £32,126, very nearly double in value. The Timber Trade London Report, found in the *Journal* of May 15th, gives particulars of a three days auction sale, the first being devoted to Canadian pine. There was a good attendance, and prices were £2 per standard over the same date of day, £23 and £23 10s. being obtained for

some lots of 1st class. Spruce deals sold well, some lots of 1st Quebec went as high as £10 10s. St. Petersburg standard. The journal quoted, sounds a warning note when it says "these heavy forced sales cannot do the market any good in the long run."

—The British Trade returns show the exports to "British North America" for four months ending with April last to have been generally in excess of those of the like period last year. We give some comparative figures below. It is contended by Sir A. T. Galt, in a letter to the *London Times*, that our increased import from Britain as against the United States is one of the results of the Tilley Tariff:

	4 mos. '80.	4 mos. '79.
Cotton Manufactures.....	£256,945	£231,945
Haberdashery & Millinery..	339 010	321,760
Linen Manufactures .....	89,856	56,433
Silk .....	31,393	27,380
Woollen " .....	166,850	142,468
Worsted Stuffs .....	158,101	149,141
Carpets.....	51,714	50,844
Hardware & Cutlery .....	47,504	37,417
Iron, Pig .....	81,829	8,575
" Railway & Steel.....	29,172	14,057
" Sheet & Boiler .....	39,533	18,511
" Bar & Bolt .....	102,339	35,266
Tin Plates .....	63,782	24,402
Total .....	1,458,028	1,118,199

#### LEASE OF THE PORT DOVER AND LAKE HURON RAILWAY.

Much credit is due to those who have controlled and managed the Port Dover Railway. They have worked hard and economically, running the line at a low ratio of expense; with little or no profit perhaps, but with equally small remuneration for their services,—thus hoping to surmount the difficulties and maintain an independent existence, as originally intended by the promoters of the enterprise. But in this they have failed. On several occasions the operations have been largely carried on upon the strength of the personal credit of the management. Not getting the expected aid from the Government, it became impossible to continue to make the necessary improvements in maintaining the line and rolling stock in good working order. Under these circumstances, the two companies—one being the Stratford and Lake Hudson—were compelled to amalgamate with some of the trunk lines which crossed theirs, and the lines have been leased. A large meeting of the bondholders and shareholders was held in the town of Simcoe last week, when a resolution was passed to lease the roads to the Grand Trunk for a period of twenty-one years; the rental to be fixed at one fourth of the gross earnings up to \$7,000 a mile, and one eighth of the gross earnings beyond that amount. The Grand Trunk Railway is to provide all the working expense, and maintain the right-of-way and the necessary renewals. The arrangement embraces the proposed exten-