

EIGHTEEN HUNDRED AND SIXTY-SIX.

EIGHTEEN hundred and sixty-six is no more. The old year is out; the new one is in! Standing, as it were, between the two links in the chain of time, the season is generally deemed suitable for reviewing the past, and forming resolutions for the future. The commercial man may wisely do this as well as others, for experience is a good teacher, and wise is he who treasures up her lessons. So far as our own happy land—Canada—is concerned, the past year has been a favourable one. There has not been a rapid revolution from dulness to activity, as we witnessed in 1865. But in August last we reaped a fair average harvest, and business has been prosperous, if quiet, during the twelve months. It has not been a year in which individuals have amassed large amounts; but one which has given a fair measure of prosperity to a large number of persons. Failures have not been very numerous; and the losses, with the exception of the Bank of Upper Canada, have generally been of a limited nature. We have reason, therefore, to speak well of the year that is gone. During its days, weeks, and months, Canada has been steadily and surely advancing in wealth and prosperity.

The most noticeable commercial events of the year, so far as British America is concerned, have been the abrogation of the Treaty of 1854 between the United States and us, the opening up of new markets for Canadian produce, and the new banking and tariff laws. The alarm with which many looked forward to the enactment of duties on our productions destined for American markets has passed away—the evil has not been found such as many anticipated. This has been a most fortunate circumstance for our agricultural community, and indeed for all classes; and we think we may also congratulate ourselves on the progress which has been made during the year in the way of providing new markets for our farm products. Large trade in breadstuffs has already sprung up with Nova Scotia, New Brunswick, and the other Eastern Provinces; and there can no longer be a shadow of doubt that, under Confederation, they will be able to absorb the great bulk of our surplus products. The prospects of an increased trade with the West Indies and Brazil are also good, and the exertions put forth by the Government and some of our more enterprising citizens, to this end, have been exceedingly creditable to the country. The banking and tariff laws have probably not been long enough in force to judge of their effects correctly. It has been attempted to trace the failure of the Bank of Upper Canada to the former, but we think the real cause dates far earlier; and, in fact, we have heard very few complaints of the Banking Act since it went into operation. As to the Tariff, whilst it is questionable whether it was well to make changes whilst Confederation was so near accomplishment, and the whole tariff would require to come before the Federal legislature, still it was in many respects a step necessary to be taken. One year after this—when the new year has become old—we will be better able to judge correctly of the effects of both these measures.

The Fenian raid and excitement has had some effect upon the business of 1866. Among the frontier towns, the constant threats of attack probably rendered retailers cautious in buying, the desire being not to have too large stocks on hand; for however hopeless the Fenian attack might be to conquer the country, it might prove effective in a thieving, plundering raid of a few hours' duration. With the exception of the cost entailed on the Government, however, the Fenians have troubled the country generally but little—all classes feeling assured that we had both the power and the ability to hurl the ruffians from our soil should they ever dare to set foot upon it.

Turning our eyes to Europe, the late year has been an important one, commercially and otherwise. Great Britain has passed through one of the sharpest commercial squalls in her history. For a few weeks there were numerous failures in London, Liverpool, and other cities, some of the largest banking houses, companies, and business firms, going to the wall. For a time, great depression and anxiety prevailed—each one enquiring: where is all this to end? But the crisis soon passed over, the penalty of over-speculation was paid, and the business of the country became healthier than before. With this exception, Great Britain's prosperity has been fully equal to previous years. Germany and Italy have been the theatre of a sanguinary, though short war, during which their commerce has languished. Prussia comes out of it with flying colours and with its financial strength un-

impaired, but Austria reels under accumulated debt, and Italy—although rejoicing in victory—has also heavy burdens to bear. France closes the year with a good position financially. M. Fould having announced to the French Chambers, that the revenue and expenditure were nearly equal. To those European countries which have enjoyed peace, 1866 has been of a satisfactory business nature.

Our nearest neighbours—the United States—are, we think, in a better position than they were twelve months ago. Throughout the country there has been a considerable increase of production. Their harvest was abundant, and commanded good prices. During the year, the Financial Secretary has decreased the national indebtedness over £300,000,000, and the price of gold has decreased nearly to 130. There is no denying, however, that their business has been conducted on an unsound basis, and consequently we hear of depression in the woollen, cotton, iron, and other trades. Their shipping interests have suffered greatly during the year, and have certainly reached a very deplorable state. The cost of living has been very high, and together with the high taxation, has produced a pressure upon many classes never previously experienced across the lines. We can hardly say the United States has really prospered during 1866, nor do we think that any real prosperity can be theirs until there is a return to specie payments, and business partakes less of that spirit of gambling which the fluctuations of gold give to it.

Mexico, Brazil, Paraguay and other South American States, have passed the year in war and bloodshed and consequently their Commercial progress has been—backwards. War, either foreign or domestic, is the deadly foe of Commerce, and those countries which engage therein, have to pay a heavy penalty therefor. Brazil is probably the only one of the States mentioned above, whose prosperity war has not seriously marred, and even its people have little cause to regard the year that is gone with complacent feelings.

Taking it all in all, eighteen hundred and sixty-six has not been a very favourable year for the Commercial world. There have been the usual amount of ups and downs, mishaps and losses,—whilst that necessary adjunct of Commercial success, Peace, has been disturbed. Great Britain's prosperity has been marred by a crisis. Western Europe has suffered from the ravages of war, whilst that pestilence, cholera, has visited many different countries. Turkey and Candia have been at war, Spain is on the brink of revolution, and Rome fears the downfall of its temporal power. All parts of this Continent, with the exception of British America, have also been in a disturbed state, so that Commerce has not had that chance which it enjoys in less eventful years.

We see no country which has more real cause for gratitude during 1866 than our own. Our Commercial success has been quite equal to that of others, whilst we have had less to regret. We only hope that at the close of the new year—1867—we may have as much cause for thanksgiving as we have at the present time. Eighteen hundred and sixty-six, adieu!

SPECULATION FEVERS.

WE may do somebody a benefit if we speak a word of caution in reference to the various kinds of speculation fevers now rife.

There seem to be epidemics of speculation. At one time (many of our readers will remember to their cost) town and village lots were the mania; then wild lands in the back counties; we have lately had the oil fever in the far western counties and in Gaspé; gold fever on the Chaudiere and its tributaries; copper fever in the Eastern Townships. We suppose we shall soon have a fever for peat-bogs, and perhaps for Madoc quartz locations.

Now we do not wish to deny that some who bought city lots did well. Some, though very few, have made money out of lands. A few have realized large fortunes by "oil territory," and some, no doubt, will acquire large sums by speculating in mining properties. But for one who made a competence by selling vacant city lots, ten were ruined by holding them. For one who has become rich by oil strikes, a hundred have been bitten. And so quartz leads, peat bogs, copper locations, *et id genus omne*, while they will be happy realities to a few, will be miserable delusions to the many.

The truth is, that all such properties are simply foundations for the investment of capital. Take, for instance, a quartz vein containing gold. To realize anything from the vein miners must be had to quarry

the rock, crushers set to work to stamp it, and other appliances to amalgamate the particles of gold by means of mercury, and then sublimate the mercury and leave the gold. To pursue the work profitably, this must be done on a considerable scale. Good management and business energy are required to make the invested capital yield a rich return. If there were but a few veins of gold bearing quartz, the industry would be monopolized, and would probably yield a very high per centage of profit, while the value of the rock, as a basis for investment, would be very great. But as there are no doubt hundreds of quartz veins in Canada forming a regular net work throughout an extensive formation, the industry may be considered virtually free, the average per centage of gain will not be permanently high, and the market value of the quartz leads consequently not so enormous as speculators would have us think.

Take next a peat bed. Mr. Hodges has succeeded in introducing peat as a fuel for locomotives, and a host of speculators are roaming about the country to buy up deposits of peat. But there are hundreds of peat bogs in Canada, covering thousands upon thousands of acres, adjacent to all our cities. Half-a-dozen acres of peat bog of average depth would supply a year's fuel for ten thousand people. What more, then, is a peat bog but a piece in which to invest capital, with a reasonable expectation of a fair reward? You must get costly machinery to dig the peat. Many hundred dollars worth of it must be dug and dried before you can effect a sale. Branch railroads to take it to the main lines and the water must often be built. And this done, you will find your neighbour starting similar works almost next door, so that you can have no monopoly.

We by no means wish to discourage the investment of capital or the development of our mineral and other resources of the character we have mentioned.

But we do wish to discourage unhealthy speculation, which passes away and leaves those interests blighted which it has for a time appeared to advance. Copper mining in the townships would to-day be a better established industry, if the Acton mining excitement had been less intense and more lasting. The country at large would be more prosperous if its farms had been free from the mortgages with which they had been laden during the land mania. Experience is constantly teaching us that we cannot get rich by speculation. Labour, patient and enduring, is alone sure of a reward. Risk accompanies all projects which seem to promise large returns, and, in the long run, we think those who avoid risk, and are satisfied with moderate gains, the most sure to acquire a competence.

Especially does this warning appear to be in season now. With the British money market still reeling under the effects of the late panic in London; with affairs in the States in an awkward position, and even their Secretary to the Treasury "disturbed" at the enormous excess of goods imported over goods exported; with the decennial year at hand, which, for some unknown reason, seems to be laden with financial disaster, (*vide '37, '47, '57*); with a railway traffic on all the lines diminishing week by week, as compared with that of last year (and there is no surer index of business activity than this)—it would be imprudent for any people to embark in enterprises of which they cannot see the end, and insane to engage themselves in speculations beyond their means of payment in ready cash.

Gold Mining in Nova Scotia.

The yield of gold in Nova Scotia for the year ending Sep. 30th, 1866, was not quite so great as for the previous year, owing to a slight check the business experienced in the early months of 1866, but the returns for the quarter ending Sept. 30, are highly satisfactory, and show that the yield of gold has resumed its former steady increase.

Year ending,	Total yield of gold.
	oz. dwt. grs.
Dec. 31, 1862	7275 00 00
Dec. 31, 1863	14001 14 17
Sep. 30, 1864, (9 months)	14565 9 08
Sep. 30, 1865	24867 05 22
Sep. 30, 1866	24162 04 11
Quarters ending Sep. 30th, 1865 and 1866	1866
Quarter, 1865	6468 06 09
" 1866	7184 04 18

The yearly product of the Nova Scotia gold mines may now be set down at half a million of dollars—nearly as much as we should require for the British American mint we hope at some early day to see established.