

THE WAR AND HIGH PRICES.

AMONG the many evils which follow in the train of war to those countries engaged in it, not the least trying is high prices. When a large portion of the population are engaged in doing that to their fellow-men, which, it has been naively remarked, nature itself would soon do for them if time were given, production falls. Besides the number of workmen lost to the industry of the land, business of all kinds becomes unsettled, the means of producing wealth are neglected, and high prices for almost everything, but particularly for agricultural products, generally prevail. Reasoning from premises such as these, the opinion is becoming prevalent throughout Canada that the great war which is now commencing to spread desolation throughout so large a portion of Europe, and whose end it is impossible to foretell, must necessitate high prices for produce throughout this Continent during the approaching fall. The effect produced by the Crimean War was certainly of this character. Very shortly after that struggle began, prices rose rapidly, and touched higher points than our Canadian farmers had ever realized before, except in a few rare instances. However injurious to Britain, France and Russia, who were engaged in the war, this state of things greatly enriched both the United States and Canada. Our farmers received mammoth prices for their wheat, many of them became rich; men of business made money, some of them amassed fortunes; and the whole population soon appeared to get the idea that we were all on the high road to wealth. Of the speculation and inflation which resulted, amidst which fortunes upon paper became as thick as blackberries in the month of July; of the extensive purchases of land by farmers, and the lot speculations in cities and towns; and of the final collapse in 1857, we need not speak, as they do not bear upon the point at which we are driving. The fact is undeniable, that the Crimean War raised the prices of American produce extraordinarily high. Now, are people justified in reasoning that the present European War, if continued for some time to come, will have the same effect? Not necessarily so, we answer, if confined to the present combatants. We could imagine circumstances under which no advance on present rates would ensue. But we have no hesitation in expressing our belief that, in this as in many other cases, the popular instinct is right, and that with a large portion of Europe torn and excited by contending armies, the supply of food for man and beast must soon become short, and naturally result in keeping the value of the products of our lands up to a high figure. The effect up to the present time on foreign markets, has not been very marked. The news of the Prussian attack, it is true, caused an upward movement in the price of breadstuffs; this was the immediate effect of the beginning of hostilities. Since that time, however, the upward movement has been checked. This has arisen mainly from the favourable condition of the growing crops throughout Great Britain. Reports from the leading agricultural districts give hopes of an abundant harvest, and thus have neutralised to some extent the effect of hostilities. Other circumstances have also had a tendency in this direction. Principal among these is the neutrality of France and Russia, of the continuation of which, until recently, little doubt was entertained. Since the export of wheat and flour from the United States has declined so much, the imports into Great Britain from Russia and France have greatly increased, and the hope that they may keep out of the German struggle must thus far have had an important effect on prices. It is well known, however, that Russia is rather favourable to the side of Austria, and that France cannot allow any portion of Italian soil won on the fields of Magenta and Solferino to be wrested from her. The progress of the strife may, consequently, yet embroil these two great powers in the war, and if such a result should ultimately take place, the markets of the world must become unusually high. But whether Napoleon and Alexander draw the sword or not, we cannot avoid the belief that for some time to come agricultural produce must continue in good demand and command good prices. This view is corroborated by several English correspondents. One of them writing to New York says:—

"Should either France or Russia enter into it, it is certain that prices here would rapidly advance, and in case the war becomes general on the Continent, it is probable that we may see the price of bread at a very high point in this country. While, on the other hand, if the war is confined to its present limits,

"even in that case it is certain wheat will command a remunerative price; and it is to be hoped, therefore, that its culture in the Western States of America has been so extensively augmented that we shall be liberally supplied with produce from your side. The circumstances may occur which have happened in former years, that France, should her harvest be late, will find that she has shipped too largely, and be compelled to come to our markets for the purchase of produce. At present there are no indications of such an event; but should it happen, the upward movement in prices must be rapid."

Under any circumstances, it seems hardly possible that the prices of produce can avoid advancing. Germany has heretofore sent considerable exports to Great Britain. Now, she will not only have none to send, but will even be compelled before long to import from France and Russia—thus decreasing the supply of the Mother Country. The Danubian Principalities and the ports on the Mediterranean, generally supply part of the food used in the more densely populated parts of Europe; but with nearly 1,000,000 men in arms, Austria will most likely be in the market for all they can produce. These circumstances must all combine to decrease the European supplies from which England has drawn so largely during the past few years, and cause her to look to America this fall for a greater supply than usual. The result must be, we think, as we have stated it, and that although temporarily checked, the upward tendency in foreign markets must soon be resumed.

Another circumstance, and this one appertains to this side of the Atlantic, must also have its effect. And that is—that the wheat crop, both of the United States and Canada, will not, this year, be at all above the average. So far as our crop is concerned, we can now speak with some certainty. The winter wheat is now almost ripe, and although the fears at one time expressed that in consequence of winter-killing, it would be almost a total failure, are incorrect, still the yield will not be equal to that of last year. Reports from some sections of the States are similar, and if the Americans consume as much themselves as they did last year, the supply for Europe cannot be very great. With an increased demand abroad, and only an average crop in America, the probability decidedly is that prices will be very high. An extraordinarily abundant harvest in Britain might prevent this result, but otherwise we think that it may be considered all but inevitable.

We do not wish to be understood as saying that any great advance on present prices is certain. Wheat and Flour are at present quite high, and the demand continues good. The rates paid at present are quite above the average, and so it could not be expected that any large increase could take place on the good prices now paid. But we mean that, taking the average amounts obtained by our farmers, we believe prices will range high this fall. Should our expectations be realised, the effect must be beneficial to Canada, particularly after the great progress we made last year. An increase in value, particularly of real estate, is almost certain to take place, and we should not wonder if the old speculative spirit of 1854-5 set in again. Our people remember the lesson of 1857 too well, however, to be carried away very much by over-speculation. Should this year prove to Canada as good as the last, we may, therefore, look for general prosperity among all classes, without the drawbacks of commercial inflation and the baleful consequences flowing therefrom.

MONOPOLY AND IMPUDENCE.

The annual meeting of the shareholders of the Hudson Bay Company took place in London, on the 5th of July, and the proceedings were of more than usual interest to this country. Sir Edmund Head, Governor of the Company, occupied the chair, and the report for the year ending the 31st of May was laid upon the table. From this document it appears that the quantity of furs sold during the twelve months was much larger than the average during the last ten years, and enabled the Directors to declare a dividend of 14s per share, in addition to 8s per share distributed last January, making in all the rate of 5½ per cent. upon the Company's stock. After the adoption of the report, a Mr. Dodds brought up the question of colonizing the territory of the Company, and moved the appointment of a committee to confer with the Directors upon the subject. The idea of Mr. Dodds and his friends was, that their Company should undertake "a liberal and systematic scheme of land settlement." Any person acquainted with this continent will laugh at the idea of a grasping monopoly like the

Hudson Bay Company undertaking the colonization of this great territory; but its absurdity was not sufficient to prevent Mr. Watkins, M.P., (well known here) from expressing his approval of the views of Mr. Dodds, and indulging in an amount of impudence and impertinence towards Canada as unexpected as it was uncalled for. He said it would be a disastrous thing for the British Crown to hand this territory over to Canada, sneeringly observing that this country "had avowedly the greatest difficulty sometimes to sustain and defend itself." No doubt Mr. Watkins thinks the Hudson Bay Company would be a much stronger protector than Canada, but that is a point upon which there may be two opinions, as there may also be regarding the unselfishness of Mr. Watkins in enunciating such views. This fine country will always remain a mere haunt for wild beasts so long as the Hudson Bay Company possesses it. The British Government have recognized this view in offering to cede it to Canada, and not even the impertinence of the very unselfish Mr. Watkins will prevent it from ultimately being opened up for settlement under the auspices of this country. In closing the discussion, the chairman said the Directors would not object to the resolution in favor of colonization being sent to the shareholders for an expression of their opinion upon it; but it was quite clear from the tone of Sir Edmund's remarks, that they by no means concurred in the view taken. In fact, he gave the meeting very clearly to understand that the pretensions set up that they had a right to colonize and sell the lands of the territory were based on a very doubtful foundation. He alluded to this point in the following rather facetious manner:—

"The opinions of Sir Richard Bethell, late Lord Chancellor, and Mr. Keating, as to the extent of the powers of the Company, did not go the extent by any means of Mr. Dodds' proposition. It was one thing to say they had power to make grants of land, but it was another thing to do that practically on the spot. (Hear, hear.) The Company had sold land on Red River at 7s 6d an acre, but they never got paid for it—(laughter)—and why? Because there was no court but that which derived its power from the Company, and it was impossible to make Englishmen believe that a man could be plaintiff and judge at the same time. (Hear, hear.) The Company might certainly possess all these large and extensive powers that had been spoken of, but, speaking for himself, he should prefer not to be the person called upon to exercise them. (Laughter)"

As neither Mr. Dodds nor Mr. Watkins replied to these remarks of the chairman, it may be taken for granted that his views could not be successfully disputed. No fear needs be entertained in Canada of the Hudson Bay Company undertaking to open up the country for settlement. The idea of a Fur Company, which has in the past hunted settlers out of the country like wild beasts, suddenly transmogrifying itself into a grand Colonization Company, is worthy of the brain of a man who, having been treated so kindly in Canada as Mr. Watkins has, makes so unjust and impudent an attack upon her. The Hudson Bay Company possesses no right to sell off the lands of the North-West territory, and he may be sure that the statesmen of Great Britain know too well the character of all monopolies, to place any such power in its hands. That country, or at least the portions of it fit for settlement, have been offered to Canada, subject only to such claims for compensation as the Fur Company can substantiate, and there can be little doubt that, as soon as Confederation is disposed of, the offer will be accepted. Its annexation to Canada is earnestly desired by the settlers already there, and will most speedily render the country a popular field of immigration.

EXTRAVAGANCE.

THE "magnificent inconvenience," as the new Parliament Buildings at Ottawa have been called, has certainly cost Canada a pretty round sum. By figures submitted to the Legislative Council, the Government paid out, up to the 15th of June last, the immense sum of \$2,377,734.32! And the end is not yet. It is estimated that it will take \$709,477 more to complete the works. The annual cost of heating, lighting, &c., is almost appalling. The estimated amount is no less than \$53,400 a year, of which \$19,500 is for fire-wood! At \$3 per cord, that sum would buy about 6,500 cords! If this estimate of the annual outlay falls as far short of the mark as the estimated cost of the building has fallen behind the actual outlay, we fear we will be in the position of the man who drew the elephant at a lottery. Considering the circumstances of Canada, these buildings are a monument of extravagance. And, after all, we are told they are only a "magnificent inconvenience."