

the prophecy may go far to prevent its fulfilment. No such warning, coming from any other quarter, is likely to be so well heeded by the country. Say that the impression produced is so strong as to bring about a marked turn towards the cautious and conservative side, the danger may pass over, and after that some people may be found saying that there never was any danger at all. We venture to anticipate that this is precisely what will happen, to a very considerable extent. None the less, however, will it remain true that the warning prophecy was required, if for no other purpose than that of preventing its own fulfilment.

With regard to the expansion of discounts and the threatened danger from over-production of manufactures, this identical result is very likely to follow. If Mr. Smithers' views be sustained by the sober second thought of the business public generally, both these expansions will be held better in hand for the future. We are not prepared, however, to admit that the country is so near the verge of over-production as Mr. Smithers would seem to convey. Canadian cotton manufacturers are in the habit of keeping very close reckoning of the number of yards made, imported, and used in the country from year to year; and they appear to think they are still a good way from having filled the home market with home goods. But, may we suggest that it is more probably from the importation side that the needed curtailment, if any, should come? Ever since the N. P. came into force, both English and American manufacturers appear to have taken particular delight in trying how much they could possibly persuade us to take, *in spite* of our increased tariff. Perhaps the novelty of the attempt is wearing off with them, and they may be just on the point of concluding that they have really tried it on long enough—this business of defying the Canadian tariff—and may as well quit. It may be suggested that there is at least as much reason for checking over-importation as for checking over-production. It is for the country's good that, if one of the two must be checked, it should be importation from abroad, rather than production at home. And one very interesting point there is, upon which let business men keep their sharpest attention fixed. It lies largely with the banks to decide which of the two is to be checked, or checked the most. Of all questions suggested by Mr. Smithers' speech, this is the most immediately practical, and we advise all concerned to keep it in sight. It will be observed that he advises putting a check upon importation as well as upon production of manufactured goods.

As to excessive railroad building, we shall merely point out the great difference between the present time and time past. The Pacific road, as Mr. Smithers says, is provided for, and must go on. It will be paid for, from this time forth, all or mostly all out of the proceeds of land sold: the drain on the country's resources for the purpose will be less every year. If the Grand Trunk Company choose, in carrying out their own policy, to make new extensions, they will ask no money from Canada, but will get what they want in London. It being clearly seen that the Grand Trunk and the Canada Pacific are to swallow up all other roads in the country, the voting of municipal and Government bonuses, and subscriptions by private individuals, to build new railways, are all alike at an end. These things have been in Canada: they will be no more. We do not see *where* the threatened outburst of railway spec-

ulation is to come in, if the Grand Trunk and the Syndicate are to divide the country's business between them, and if everybody is to know it. The supposed danger from railway speculation may be very briefly dismissed: if danger there be, we had better look for it in other directions.

With regard to another point, the relation of the aggregate of loans and discounts to the fair, legitimate requirements of the country, the figures which appear before us in print may be more alarming in appearance than in reality. Between 1875 and 1882 the country's business-carrying capacity, taking it in a general way all round, has increased far, very far, beyond the proportion of increase in the item of discounts. The latter is seen to be ten per cent., would it not be keeping within the mark to say that the country's capacity for carrying business has in the interval increased fifty per cent. at least? But, in addition to the large increase of production and sale for actual consumption, swelling the volume of business generally, there is a special feature of the time to be considered. If the various bank statements could be analyzed, it would probably appear that a very large portion of the increased discounts are directly or indirectly connected with the numerous investments by companies and by individuals, in the development of the North-west. Perhaps the whole of the increase, with even something more besides, might be thus accounted for. Mr. Smithers puts down the development of the North-west as a principal factor in the financial problem, for he says that "it is difficult to estimate the part that Manitoba and the North-west are to play in the future of Canada. True, indeed, but does he not lose sight of this, momentarily at least, when he regards the loan and discount figures of this year as "somewhat startling?" Accustomed to the dimensions, financial and otherwise, of Canada as it was, do Mr. Smithers and others who share his views sufficiently realize how much the magnitude has changed, how much the country has grown, and how rapidly it is still growing? These are considerations on the other side, which deserve to be well weighed before coming to a conclusion.

#### HARVEST PROSPECTS.

The present is a backward season, so far, over the greater part of North America. In some sections it is spoken of as the most backward season since that of 1869. Mr. Vennor tells us to look for rather a cool, wet summer, and a similar expectation appears to prevail among the weather prophets generally. Whether the summer be hot or cool depends chiefly upon the extent of sky clouded during the day time, when the sun is above the horizon. With a clear and cloudless sky, the rays of the sun strike the earth with great force, and the surface becomes strongly heated. On the other hand, when cloudy skies prevail, the sun's heat is, to a great extent, intercepted and shaded off, thus reducing by many degrees the temperature of the earth's surface. A damp season generally brings heavy crops of grass, and straw, and roots, but causes grain to suffer both in quantity and quality. With regard to prospects in the east and in the west, respectively, there are certain circumstances of importance to be observed. On this continent the rainfall is greater in the east than in the west, generally speaking, though Louisiana, pretty well to the west-