

and the cut for the present winter will be not more than 50 per cent. of that of last year. As the Norwegian and Russian cuts are also being lessened, the market should return to normal conditions very soon; indeed, some improvement is already evident.

It is too early to obtain the figures of the output of coal for the season, but owing to a prolonged strike at one mining centre, to shorter working hours in some mines and to other causes, the quantity made was somewhat less than for the previous year, instead of showing the usual increase of 10 to 15 per cent. There is also a large shortage in the St. Lawrence shipments, owing to the late opening of navigation. There was an excellent demand at good prices, and except where mines are working on old contracts, made at low rates, profits should be quite satisfactory.

The various manufacturing establishments, especially those of national importance, have been busily employed, and have in many cases exceeded the high record of the previous year. The steel companies have had an excellent year. In the case of the younger and larger company there has been an improvement over the satisfactory previous year in output in proportion to plant, in quality and in profits, not having regard to the outstanding dispute over the price of coal. The companies have orders ahead sufficient to warrant the hope that they will not in the near future fall off seriously in production or be forced to lower their prices materially. It is to be borne in mind that there are as yet no sources in Canada from which an adequate supply of pig-iron, for the use of the ordinary manufacturer who works in iron, can be obtained, although new works have been established at Port Arthur in Ontario, which should materially increase the supply.

Time will, of course, remedy this, but it may be well to consider what we may hope to accomplish in the not very distant future. In steel and iron in shape to be more or less the raw material of articles to be manufactured in Canada, such as pig-iron, scrap-iron, steel ingots, bars, skelp, and also sheet-iron and wire, we imported in 1906 \$7,358,000, and in 1907 \$12,326,000. We should surely hope to make all, or almost all, of this material in Canada very soon. We imported in structural steel and in rails in 1906 \$5,479,000, and in 1907 \$7,892,000, and this we should soon make mainly or altogether at home. In machinery and other manufactures of steel and iron we imported in 1906 \$16,710,000; in 1907, \$21,675,000. Some of these articles we may make before long, but it is not so much in complicated manufactures that we need to succeed early as in staple materials, which enter largely into the goods we are already able to make, or might naturally hope to make, at home. The total of the above-mentioned imports of steel and iron in various forms is rather striking: In 1906, \$29,547,000; in 1907, \$41,893,000.

Ontario and Quebec.

Agricultural conditions in the different parts of Ontario and Quebec have rarely been so varied and so difficult to describe in the few words at our disposal. The late spring, unfortunately general throughout Canada, and, indeed, throughout a large part of the world, was followed in these Provinces by unusually dry weather, and doubts existed at one time or another regarding almost all crops. In the end results were very varied, even in the same districts, and, of course, the yield as a whole is much smaller than usual. But in one respect all farmers have benefited alike—the prices of everything produced on the farm have been higher than in the previous year. This factor, as far as many parts of Ontario are concerned, has caused the money result to be not very different from other years. Wheat, no longer a very important crop relatively in these Provinces, was quite satisfactory in yield in some parts, but as a rule considerably below the average. Oats, usually reliable, were, because of drought, blight and other causes, a remarkably poor crop. Hay, generally the most valuable crop in Quebec, and very important in Ontario, was very variable in both Provinces, because of many features connected with the late spring and lack of rain, and as a whole the yield was unsatisfactory. Where any fair percentage of a normal crop was gathered, high prices have helped the farmer materially in the money result, in many cases leaving him as well off as in other years.

Those who sold cattle and hogs early did well, but financial conditions in the United States and lower returns from Europe have caused a sharp drop in the prices of both, and those who did not sell are unfortunate for two reasons—they must either hold until spring and pay unusually high prices for feed, or do as many are doing, sell stock at low prices, whether ready for market or not. It is in the dairy department, however, that the effect of the lean pastures shows most clearly. Last year we had to note record results in money from the exports of cheese and butter combined, namely, \$26,000,000. This year the total only slightly exceeds \$20,000,000, and the loss is mainly in butter. The quantity of cheese is somewhat less than in any year since 1901, but the average price obtained was phenomenally high,

and the result in money was only about 9 per cent. below 1906. But in butter, what with the actual shortage in make and an extraordinary consumption at home, the exports from Montreal, which for the previous nine years had averaged 413,429 packages, with an average value of \$5,537,405, actually fell to 66,773 packages, with a value of \$942,000. Although a high price for butter ruled during the year, it is clear that it paid the farmer better to make cheese, and thus almost all the shortage is shown in the one article. It is also to be remembered that the quantity of butter available for export is always small relatively to the total production, so that in a year of lessened production and increased home consumption it is not strange that the surplus has nearly disappeared.

The crop of apples has been variable in quantity, with good prices, and as a whole the results are quite satisfactory. The exports from Montreal were 626,000 barrels, against an average of 362,000 barrels for the preceding seven years.

Without referring to other aspects of farming, grazing and dairying, it is plain that we have had an off year, which surprises us because of the many years of unusual prosperity enjoyed by the farmers of this part of Canada. But still the year, because of high prices prevailing in almost every article and good yields in some crops, has left our farmers in many parts of Ontario with little cause for complaint. As a rule, collections from farmers and others have been well maintained, even exceeding other years in some districts.

Until the final stringency began to have some effect, no diminution in the output of manufactures was visible; indeed, they were doubtless never so busy before. The only evident checks upon the output were difficulty in obtaining labor and raw material, and shortage in car supply. For these reasons most manufacturers were continuously behind in their deliveries, and the refusal of orders because of inability to make more goods was a frequent occurrence. The banker has for some time past been urging a curtailment of output because of world-wide money conditions, and clearly this will now take place. We have not, however, been witnessing an overproduction of goods; indeed, part of the large increase in our imports has been clearly due to the inability of our own manufacturers to cope with the demands of the buyers. With the rapid settlement of our West and with normal crops our purchasing power will, we hope, remain sufficient to keep our manufacturing establishments well employed.

Building in towns and cities throughout Ontario and Quebec was already showing signs of a check, because of the high prices of material and labor, and this tendency has now been sharply accentuated by the tightness in money. Although dwelling-houses are hard to obtain in almost every growing town, any abatement in the volume of capital being fixed in either private or public improvements must be welcome at present.

Until the effect of dear money in the United States began to be felt, the demand for our lumber was strong and prices were higher even than for the previous year. For the moment there are few buyers, but sellers are not inclined to lower prices materially. Money conditions and other causes will cause most operators to lessen their cut this winter, and the Ontario and Quebec lumbermen, who are near the great markets of consumption in the United States, do not anticipate much trouble in marketing their next season's product. Foreign markets are, however, uncertain, and the future is not as clear as in recent years. A fall in wages has already taken place, and in other elements of cost in lumbering there will doubtless be a reduction in consequence of the restriction of output and the stringency in money.

In mining, the Cobalt district is likely to give Canada a definite rank among the silver-producing countries. Of course, the bulk of the world's silver is produced by Mexico and the United States, and we cannot hope to reach the rank of these countries. We hold now, however, the fifth place among the silver-producing countries, and a little further development might easily put us in the third or fourth position. The product for 1907 from the Cobalt district is valued at about \$6,000,000, against about \$5,500,000 altogether for the years 1904-5-6; that is, since the foundation of the camp. Satisfactory development work continues, and many of the mines are working lower levels with success. Much excellent machinery is being installed and very substantial buildings are being erected. Indeed, the camp appears to have settled down to legitimate mining on a comparatively large scale. We have not as yet the figures for 1907, but the total value of minerals of all kinds, metallic and non-metallic, produced in Canada in 1906 was about \$80,000,000, a very considerable advance over previous years.

Manitoba, Saskatchewan and Alberta.

So much has been written and said about the crop conditions of the Prairie Provinces, and these conditions have varied so greatly in different districts and have changed so rapidly from time to time, that it is a relief and a pleasure