

July 1869, to \$61,000,000 at the same period of 1870, \$79,000,000 in 1871, \$102,000,000 in 1872, \$116,000,000 in 1873, \$130,000,000 in 1874, at which point they appear to have remained tolerably stationary. It is perfectly clear from these figures that there was, to say the least, a very considerable risk that many of our importers were holding vastly larger stocks than it was at all prudent for them to do, and that then, and after this process had gone on for some years, they were suddenly confronted with the disturbance in values to which I have alluded. It is no wonder very serious distress was inflicted on some of these people. These causes operate in two ways. In the first place there was a very large depreciation in value caused by the simple fact of carrying over these stocks from year to year. In the second place their value was still further reduced by the positive shrinkage above mentioned. There can be no doubt a very large portion of the distress in commercial quarters is attributable to this cause. The second cause which has operated very powerfully is the unfortunate depression which has prevailed for some years in that great branch of industry, the lumber trade. Everybody who has paid any attention to our ordinary business affairs, particularly in Ontario, Quebec and New Brunswick, is aware that this is perhaps, the largest single interest in the country except the agricultural. They are also aware that it gives support and employment to several hundreds of thousands of people and furnishes one-third of our exports to foreign countries; and further that, from the nature of the trade and the amount of money it puts in circulation, it is one of special importance to the commercial classes of the community. It is no secret that this industry has been for a considerable period in a state of great depression, and I believe, that it will be found that no inconsiderable part of that depression resulted from the very common cause that a number of people without sufficient capital and experience, (stimulated no doubt by the fact that many of my hon. friends engaged in this occupation had been supposed to be accumulating very rapid fortunes) chose to engage in the production of lumber in the face of a falling market. Then, sir, when the great fall of prices took place in the United States two or three years ago, thereby cheapening, of course, the cost of production in that country, it became very difficult for our lumbermen to compete on reasonable terms with the