

BETTER THAN WAS EXPECTED.

A month ago, when the whole country was drenched in continual showers, the most gloomy forebodings were indulged in as to the forthcoming harvest. These forebodings were the more severe, as being a reaction against the bright anticipations which had been current during the summer, of a harvest of unexampled abundance, which should surpass even the splendid crop with which we were favored last year. When rain came pouring down, day after day, and week after week, in a genuine old country fashion, preventing the cutting of grain which had fully ripened, and the housing of that which was standing in the shocks and (as it was feared) rotting in the fields, a most wretched spirit of despondency swept over the minds of people in the country and the farmers, always so proverbial for grumbling, grumbled now so loud that men were almost induced to believe that all they said was true. The barley, it was said, was nearly all spoiled. Black and discolored rubbish would flood the markets, and it would be vain to look for the bright and beautiful samples which were so abundant last year. Wheat, both spring and fall it was reported, was being abandoned in despair in scores of instances, and nothing was heard on all sides but lamentations and despondency. By-and-by, however, the harvest was completely over, and the great business of threshing out and bringing the crop to market began. One thing, at any rate, was certain, that the harvest was very late. But samples, when they began to appear on the markets, were not found so bad after all. And when business did move, it moved with an activity that almost made up for the lateness of the season. Toronto has become the great shipping point for barley, now such an important staple in Canada West, and during the two weeks ending Oct. 12, no less than 399,000 bushels found their way to that market alone, and the large bulk of it is of very fair quality, while many samples were shown of the brightest description ever seen, either there or anywhere else. The wheat also turns out better than was feared. In the nearer townships the crops are very heavy, and the quality splendid. The region to the North-West of Lake Ontario is particularly favored in this respect, and farmers there must be accumulating wealth, both in the shape of productive property and money capital. For several years in succession, the crops have been above the average. Last year they were remarkably fine. While this year, notwithstanding the drawback of combined rain, they are even superior to last.

And in all quarters, taking all crops together, it is certain there is far more than an average in quantity while the quality is, at any rate, an average. The important question of price is more to be considered, and here, too, matters are turning out better than was expected. In the early part of summer owing to the splendid harvest prospects, prices were steadily tending downwards, and it was the conviction of some shrewd operators that it would be unsafe to enter into ventures except on the basis of \$1 per bushel for fall wheat, and a corresponding price for spring. The duty, payable in gold, on both wheat and barley entering into the States, was an altogether new element in the business, and the calculation was that Canada must prepare to pay it.

As things have turned out, most of these calculations have been falsified. Reports of bad weather in England, and of a poor harvest in France, of floods in the Western States, all combined to stiffen the market, and now we have wheat at nearly double the price which many farmers looked forward to getting. The price of barley was expected not to rise much above 60 cents; and the early deliveries only realized about that figure. Competition, however, speedily had the effect of raising the price, and by the time deliveries became heavy, 60 cents and 65 were freely paid. The exportations to the States up to this time are about 400,000 bushels short of last year but the lateness of the season fully accounts for this, and by the time harvesting closes it is very possible the quantity may be equal to or not considerably in excess of last year.

The deliveries in Oswego up to October 9, were 110,000, against 1,790,000 for 1895. The total amount received by the farmers to this date is probably \$500,000, less than to the same period in 1895. But when the whole shipments for the season are made up, we imagine that the amount will not fall short of the sum realized last year by more than \$200,000. As to the wheat crop, it is difficult at present to form a reliable estimate, but it is very probable that the total value realized will be at least two-thirds of last year.

The impression on the minds of many persons was

that the crop would not realize altogether more than half, and if our estimate be correct, the Western part of the Province will be in a very good position.

In our own section of the Province the same train of remarks applies. The forebodings were even more gloomy than those which prevailed in the West. But the same result has happened here as there. The *cultivators of farmers* find, now that the harvest is in, that crops are tolerably good, while prices are remunerative.

The grain trade with England is now in such a shape that shipment can be made with tolerable certainty of profit, and this materially assists the movement of the crop. Orders can be transmitted by telegraph, and fulfilment of orders advised in the same manner. Nothing can be safer or more satisfactory than such a business, and already we are happy to hear of cargoes of barley being shipped to Britain at a profitable rate. This demand will prevent prices going below an unreasonable level, and the diversion of trade from the southern points of Lake Ontario to the St. Lawrence and this city is, of course, a subject of congratulation to all who are interested in the prosperity of Montreal.

When we take into consideration the very large imports of the present year, both here and at western points, this encouraging state of matters affords room for very sincere congratulation. A bad harvest would have been a very serious business. There are complications on hand arising out of the change in the currency law without adding the inevitable embarrassment of heavy imports in the face of diminished exports. As it is, there is every reason for looking forward to a year of continued prosperity, which, if not equal to the extraordinary season between the harvests of 1895-96, will at any rate be such as to satisfy every reasonable expectation.

THE COMMERCIAL EFFECTS OF THE WAR IN EUROPE.

WAR very seldom brings compensating results. Its initiation, its progress and its end, are generally marked alike with devastation and demoralising influences. The recent war in Germany promises better returns. Its effect will be very great on the industrial and commercial future of Germany and Italy. Under the new organization of affairs, both countries will have new opportunities and inducements for the development of their native richness, and the industry of the people. The German people have always been remarkable for their industry, economy, and love of fatherland, but the political conditions which have surrounded them for hundreds of years, have depressed their social qualities. Divided into small States, governed by numerous Princes and feudal lords, surrounded on every side by military authorities and other non-producers, who consumed the productions of industry without adding to the public benefit, the people groaned under heavy taxes for the support of systems of Government which wasted their strength, and induced emigration to America. This order of affairs is changed. Those petty States, now united under one strong Government in Prussia, will secure a permanent system of law and order, and the standing armies, which heretofore have eaten up their substance and absorbed their working population, will be reduced to more reasonable dimensions. Germany, in its political union, will become strong, and its industrial and commercial condition will be felt as a power upon the continent. The German people occupying, as they do, about 1-5th of Europe, and acting in unity—we may say almost under one Government—will put forth a strength within a few years, the commercial influences of which, at present, can hardly be estimated. The valleys of the Danube, Rhine, Weser, Elbe, Oder, Etsch, Adige, and Ems and their 500 tributaries, will be infused with new life and productive power. Mecklenburg, Holstein, Hanover, Brunswick, Bohemia, Saxony and Prussia, heretofore distinguished for their superior excellence in husbandry, will enlarge the scale of their operations, and agricultural products, tributary to the Baltic and the North Sea, will have a stronger commercial influence in Europe, by increasing both the exports to England and other countries of the world, and the imports of manufactured goods from England.

Italy, on the other side of the Continent, may be expected to arise from that sloth, inactivity, and moral torpidity, which have characterised its people for the last century. The causes which produced that general dissatisfaction and discontent, which continually preyed upon a noble people, reducing them to a condition of religious superstition and pauperism, being

removed, we may hope to see that fair land the Italy which nature designed it to be. The new change in its regime, and its enlarged sphere of action, are already producing wonderful results. The nation is suddenly assuming new relations with the other great powers of the earth. Already the Italian Government is making efforts to increase the commerce of the country, which, heretofore, has been limited to the lowest wants of the people. The suspension of monasteries and the sequestration of the religious orders have already begun. Thus the greatest incubus upon the people will be removed, and a new career of enlightened prosperity be inaugurated. New lines of steamship communication with Italian ports have been established, and thus the natural great resources of the country, and the commerce for which it was formerly celebrated may be renewed.

We have, therefore, before us in the results of the recent German war, a hopeful picture of the future of two very remarkable people, occupying together the fairest and most productive portion of the Continent of Europe, which they have cultivated to the greatest possible disadvantage in every respect for more than a century,—actually, and in fact, for a thousand years. All things change, and the great change which is about to take place in these two countries may be very surprising. A great commercial future appears to await them.

NICE LITTLE PROFITS!

THE profits made by some manufacturing companies in the United States are really a-toning thing. In Canada, it is considered a very good thing if a manufacturer can realise 10 per cent. on his year's transactions. But across the lines it is becoming quite common to declare a dividend of one hundred per cent. The other day the Boston Manufacturing Company squared off its books after twelve months of successful business, and its managers have declared a dividend of—how much do you suppose? Why, only the small amount of 133 per share! The original capital of the company was only \$100,000; it is now \$400,000. Another company called "Pepernell," (a rather significant name by the way) has been fourteen years in operation, and during that period it has divided among its stockholders four times the amount of the original investment. The par value of the shares in the Pepernell Company is \$500, but their selling price is \$1,100. The shareholders in American manufacturing companies certainly make nice little profits, if the companies mentioned above can be taken as a sample of the whole of them. Their habits remind us of a true story we once heard of an honest Dutchman who did business as a country shopkeeper in the days of early settlement. One day he came in great perplexity to a successful merchant in a neighboring town, whom we shall call Jones, and regarding whom Myndelver had heard it reported that he made twenty per cent. profit. Taking Jones into the back store, with perplexed countenance, Myndelver thus addressed him—"Mr. Jones," said he, "I've just come down to see you. Will you tell me how it is you can get twenty per cent. for your goods, whilst I can only get four per cent.; when I buy an article for \$1, I never think of charging more than \$1 for it?" The American manufacturers seem to understand the Dutchman's "four per cent.," and our astonishment is not that they ask it, but that the American people continue to pay it without grumbling, and even regard the persistent wail for "more protection" with tender compassion. If ever a people were "protection mad," it is our usually sharp cousins across the lines. Their tariff is already so heavy that many foreign articles are doubled in value, and yet Congress is continually pestered with demands for further protective measures. So strong has the mania become, that intelligent journals like the New York Tribune have advocated still higher taxation upon foreign goods, apparently blind to the fact that the additional duty would not stop importation, but only place an additional burden upon the popular back. The Boston and Pepernell Companies *et hoc genus omne* would, in the event of higher duties, be able to declare still larger dividends, whilst other traders would call out "More Protection!" more lustily than ever. Such unusually large profits are no favourable sign. They evidence the existence of an injurious system of political economy, which enriches certain classes at the expense of the many. So long as our neighbors carry their protective policy to such an absurd length as they do at present, certain traders will continue to make enormous profits out of their fellow-citizens—one section of the community fattening at the expense of the others. This is practically "robbing Peter to pay Paul," and does not in any degree add to the wealth and prosperity of the country, whilst it is exceedingly unjust to those who have to "pay the piper."